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**BEFORE THE PENNSYLVANIA PUBLIC UTILITY  
COMMISSION**

**Peoples Natural Gas Company LLC**

**Docket No. R-2026-3060855**

**Volume IV**

**Exhibits 11-13**

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

1. Provide a Cost of Service Study showing the rate of return under the present and proposed tariffs for all customer classifications. The study should include a summary of the allocated measures of value, operating revenues, operating expenses and net return for each of the customer classifications at original cost and at the 5-year trended original cost.

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See attached. Below is the table of contents:

- I. Introduction
- II. Peoples' Cost of Service Procedures
- III. Peoples' Cost of Service Results
  - Schedule 1 – Summary of Cost of Service and Rate of Return Under Current and Proposed Rates
  - Schedule 2 - Functionalized and Classified Rate Base and Revenue Requirement, and Unit Costs by Customer Class
  - Schedule 3 - Cost of Service Allocation Study Detail by Account
  - Schedule 4 - Account Balances and Allocation Methods
  - Schedule 5 - External Allocation Factors
  - Schedule 6 - Internal Allocation Factors

BEFORE THE PENNSYLVANIA PUBLIC UTILITIES COMMISSION

Docket No. R-2026-3060855

PEOPLES NATURAL GAS COMPANY LLC

PEOPLES EXHIBIT NO. 11

ALLOCATED COST OF SERVICE STUDY  
FULLY PROJECTED FUTURE TEST YEAR DECEMBER 31, 2027

WITNESS: JOHN D. TAYLOR



Allocated Cost of Service Study

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# I. INTRODUCTION

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The purpose of this document is to discuss the development and results of the Allocated Cost of Service Study (“ACOSS”) model and related schedules prepared for Peoples Natural Gas Company, LLC (“Peoples” or the “Company”) based on the Fully Projected Future Test Year ended December 31, 2027 (“FPFTY”).

The document is organized into three sections. The first section includes an overview of Atrium’s ACOSS model used to develop the cost allocation study. The second section includes details of the methodologies adopted in the development of the study. The last section exhibits the results of the COSS study.

## 1. Purpose of Cost Allocation

The purpose of an ACOSS is to determine the cost-of-service responsibilities of each customer class upon which the base rates may be established. The revenue requirement studies provide the overall level of costs of providing service, while the ACOSS is used to change the basic rate structures and/or the relative overall cost responsibility of each customer class. Based on the functionalization and classification of costs and allocation methodologies used in the ACOSS, the revenue requirement by customer class is determined and used in designing the Company’s proposed base rates. In other words, the ACOSS measures each class’s contribution to the Company’s overall cost of service. Comparing the costs to serve any customer class with that class’s rate revenues provides a measure of the return realized from that class and their associated revenue-to-cost ratio. This allows for a comparison across classes to ascertain the presence and extent of interclass subsidization (i.e., when one class pays more than its cost to serve, and another pays less than its cost to serve).

## 2. ACOSS Procedures

Cost of service studies utilize a three-step process: functionalization, classification, and allocation.

In the first step, the functionalization sets off with assigning the Federal Energy Regulatory Commission (“FERC”) plant accounts and associated investment balances to appropriate cost of service functions, such as Storage, Transmission, Distribution, On-Site and Metering, Customer Accounts and Service, and Gas Supply. The expenses related to particular property investments or groups of investments can often follow the same functionalization and are allocated based on the ratios of gas plant assigned to each function. These plant ratios can be used to functionalize most other cost items.



## Allocated Cost of Service Study

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In the second step, classification, each functional cost category is further separated by cost causation. There are three basic cost-defining characteristics of natural gas services: demand, commodity, and customer.

- Demand (Capacity) related costs are associated with the peak usage of the utility system. These costs are necessary to maintain the system at a level sufficient to satisfy the greatest demand that all the customers could place upon the system.
- Commodity-related costs are variable costs that vary with the quantity of gas consumed. These costs reflect the number of units consumed or supplied during a period of time.
- Customer-related costs are associated with serving customers regardless of their usage or demand characteristics. Customer-related costs are incurred to attach a customer to the distribution system, meter any gas usage and maintain the customer's account. Customer costs are a function of the number of customers served and continue to be incurred whether or not the customer uses any gas. They generally include capital costs associated with minimum size distribution mains, services, meters, regulators and customer service and accounting expenses.

The last step is to allocate these cost components among customer classes. The development of allocation factors by customer class uses principles of both economics and engineering. This results in appropriate allocation factors for different elements of costs based on cost causation.

### 3. Atrium Economics Cost of Service Study Model Overview

The Cost of Service Study is submitted in support of the direct testimony of John D. Taylor in Exhibit 2. The ACOSS model presented in this proceeding is an excel based model that allows the user to modify various inputs and assumptions.

#### ACOSS Model Capabilities

The Atrium Economics' ACOSS model provides a large range of analytical capabilities including:

- Unbundling of operations into functions: (i.e., production/supply, storage, transmission, distribution, metering, and billing services.)
- Classification and allocation of costs into customer classes.
- Reports on Rate of Return, Revenue Requirement, and Revenue-to-Cost ratio for each function and rate class.
- Development of unit costs of each functional classification for each rate class.
- Specification of the individual rate of return targets for each function or customer class.
- Provides detailed analyses of costs of gas, income taxes, working capital, depreciation reserve, and depreciation expenses.



## Allocated Cost of Service Study

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- Use of detailed analysis of labor expenses by account to facilitate the analyses of administrative and general expenses and overhead costs.
- Facilitation of direct assignment of plant investment, expenses, and revenue dollars to individual functions, classifications, or customer classes.

### **Follows Traditional 3-Step Analysis Process**

The Atrium ACOSS Model follows the standard three-step analysis process: 1) functionalization of rate base and expenses into various functional categories; 2) classification of functionalized components into demand, energy/commodity, and customer cost categories; and 3) allocation of each component among the customer classes.

As part of the functionalization process, accounts for common costs that are not specifically related to the primary functions, such as general plant and administrative and general expenses, are automatically allocated to the proper function based on internally defined allocation factors. All components of the utility's total cost of service are grouped into one of the functions.

The Atrium ACOSS Model provides unbundled functionalized and classified cost information by customer class; develops unbundled revenue requirements by functional classification for each customer class; and calculates unit costs by function for customer, commodity, and demand categories. Accounting costs are reported by FERC account level, and the allocation of A&G expenses, general taxes, and income taxes are clearly reported.

Revenue requirements are calculated from the allocated rate base and expenses and are adjusted to reflect the user-determined target rate of return and statutory tax adjustments. The actual revenues collected are compared to the calculated cost-based revenue requirements to determine class-specific, revenue-to-cost ratios to assist in revenue allocation and pricing activities.

### **Unit Cost Output Functionality**

The ACOSS model calculates the unit cost of each functional classification separately for each rate class based on the user-specified billing determinants. These unit cost data are among the most important outputs from an embedded cost of service analysis. They are defined as the average cost of providing service to customers per measure of service (i.e., per therm, per dekatherm of daily demand, and per customer). Unit costs are a key consideration in developing prices for bundled, unbundled, and re-bundled services.

### **Acceptance by Utility Regulatory Commissions**

The format and presentation of the model's outputs have been used in many rate case proceedings and conform to standard utility commission requirements. Where necessary, the ACOSS model outputs can be easily modified to meet specific jurisdictional filing requirements.



## II. PEOPLES' COST OF SERVICE PROCEDURES

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### 1. Functionalization

The following functional cost categories were identified for purposes of Peoples' cost allocation:

- Gas Supply
- Gathering
- Storage
- Transmission
- Distribution
- Distribution On-Site
- Customer Accounts and Services

Peoples' assigned functional categories are presented on Schedule 4.

### 2. Classification

The following classification categories were identified for purposes of Peoples' cost allocation:

- Demand
- Commodity
- Customer

Peoples' assigned classification categories are presented on Schedule 4.

### 3. Allocation

The allocation step involves assigning classified costs to the customer classes based on cost causation. Therefore, the allocation of costs is usually based on some measure of class loads or class service characteristics. The External (Schedule 5) and Internal (Schedule 6) Allocation Factors are utilized to allocate costs among various customer classes. Peoples' assigned Allocation Factors are presented on Schedule 4.

#### 3.1. Customer Classes and Tariff Schedules

The following customer classes were identified for purposes of cost allocation:

- Residential Service (Rate RS, Rate CAP, Rate E-CAP)
- Small General Service (Rate SGS)
- Medium General Service (Rate MGS)
- Large General Service (Rate LGS)
- Mainline Service (Rate MLS)



### 3.2. External Allocation Factors

Peoples' External Allocation Factors are presented on Schedule 5. The External Allocation Factors are developed based on the special studies conducted using various detailed data as discussed below.

#### Commodity and Revenue Allocation Factors

Costs classified as "Commodity" are allocated among customer classes based on the weather-normalized volumes for the FPFTY. The "Revenue" factors directly assign revenues to the relevant customer class.

Allocation Factor	Description
BASE_REVENUE	Total sales and transportation base rate revenue at current rates for the FPFTY.
GAS_COST_REVENUE	Gas cost revenue by customer class for the FPFTY. Also equivalent to gas cost expense.
RIDER_REVENUE	FPFTY revenues from riders at current rates.
TOTAL_VOLUME	Total volumes based on forecasted billing determinants for the FPFTY.
SALES_VOLUME	Total volumes for Sales customers based on forecasted billing determinants.
TRANSPORT_VOLUME	Total volumes for Transportation customers based on forecasted billing determinants.
GATHER_VOLUME	Allocation of forecasted Gathering System volumes to the classes.
LP_VOLUME	Total volumes for customers served from the Company's low pressure system based on forecasted billing determinants.

#### Customer Allocation Factors

Customer-related costs are generally allocated based on the number of customers within each class of service, with appropriate weighting to recognize specific service characteristics.

Allocation Factor	Description
CUSTOMERS	Customer Count factor based on the FPFTY proforma customer count.



Allocated Cost of Service Study

Allocation Factor	Description
CUSTOMERS_DIST	Proforma FPPTY number of customers served from the Company's distribution system.
CUSTOMERS_LP	Proforma FPPTY number of customers in classes that are served from the Company's low-pressure mains (excludes the LGS and MLS classes).
SERVICES	The services factor is based on the replacement cost of Services (FERC Account 380) used to serve customers in different rate classes. The analysis calculation relies upon the Company's records, which provide an inventory of service sizes for a specific rate schedule
METERS	The meters factor is based on the cost of Meters (FERC Account 381) used to serve customers in different rate classes. The calculation relies upon the Company's records, which provide an estimate based on average costs per class of each category of meter for a specific rate schedule.
INDUSTRIAL_M&R	The factor was derived to allocate FERC Account 385 Industrial measuring and regulating station equipment. The analysis was performed based on the same set of data used to derive the Meters allocation factor but limited to the metering costs associated with industrial customers.
METER_READ	Factor developed to allocate meter reading-related costs among customer classes based on the number of customers that have their meter read by meter reading activity.
CUST_RECORDS	Factor developed to allocate customer records-related costs based on FERC Account 903 expenses. Customer class costs are calculated based on weighting of the various records expense categories.
UNCOLLECT	Account 904-Uncollectible Accounts are allocated to the customer classes based on the three year average of net write-offs.
ACCT_908	Account 908 – Customer Assistance Expenses are allocated to the customer classes based on historical customer assistance records.
ACCT_912	Account 912 – Demonstrating and Selling Expenses are allocated to the customer classes based on historical sales and demonstration cost records.



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Allocation Factor	Description
LATE_FEES	Factor developed to directly assign revenues collected from forfeited discounts to the customer classes based on actual late fee billings. Forfeited discounts revenues are allocated in proportion to each customer class's contribution to total late payment charges, reflecting class-specific payment behavior and associated administrative activity.
MISC_REVENUE	Factor developed to directly assign miscellaneous revenues to customer classes based on the source of the underlying activity.
DEPOSITS	Based on a historical analysis of customer deposits by class.

### Demand Allocation Factors

Demand-related costs are generally allocated based on peak capacity demand for each customer class.

Allocation Factor	Description
DESIGN_DAY	Design Day Peak Demand for each customer class.
DESIGN_DAY_DIST	Design Day Peak Demand for each customer class taking service from the distribution system.
DESIGN_DAY_LP	Design Day Peak Demand on the Company's low pressure system for each customer class.
WINTER_STORAGE	Factor developed to allocate storage facility based on volumes during the winter period of December through May weighted by monthly storage withdrawals.
PEAK_AVERAGE	Demand allocation factor for distribution mains based on a 50-50 weighting of the customer class's Design Day Peak Demand and Average Demand on the distribution system.
PEAK_AVERAGE_LP	Demand allocation factor for low pressure distribution mains based on a 50-50 weighting of the customer class's Design Day Peak Demand and Average Demand on the low pressure system.
AVG_STUDY_DD_P&A	Average of the Customer-Demand and Demand-Commodity study methods of allocating distribution mains (DESIGN_DAY_DIST and PEAK_AVERAGE)



Allocated Cost of Service Study

Allocation Factor	Description
AVG_STUDY_DD_P&A_LP	Average of the Customer-Demand and Demand-Commodity study methods of allocating low pressure distribution mains (DESIGN_DAY_LP and PEAK_AVERAGE_LP)

### 3.3. Mains Analysis

The allocation of investment in facilities serving a distribution function should recognize that the cost of these facilities is driven by two principal factors. First is the cost of extending the system to connect individual customers. Second is the cost associated with the capacity requirements of the customers connected.

There are two widely accepted methods for the classification of mains between customer-related costs and demand-related costs. The two methods are the Minimum System Method and the Zero-Intercept Method, both relying on the Company’s property record data to determine the cost of pipe by size and type. Diameter groups that did not contain enough sample data were removed. The unit cost for pipe in any year is determined by dividing the booked costs by the amount of pipe installed in a standard unit of measurement. A variety of factors, such as the length of pipe installed, location, installation conditions, etc., cause the annual unit cost of pipe by size and type to vary significantly. Thus, a simple average of the yearly costs is not adequate for a determination of the cost for each size of the pipe as it will not reflect a consistent set of data. Therefore, the original cost data was restated in terms of current cost using the Handy-Whitman index.

#### *Minimum System Study:*

The minimum system method has been used in Peoples’ prior cost of service studies. It is intended to reflect the engineering considerations associated with installing distribution mains to serve gas customers. This method utilizes actual installed investment units to determine the minimum distribution system. The minimum-size system may include some capacity-related costs since any minimum size pipe considered will, in fact, be capable of delivering some volume of gas. However, a system built entirely of the minimum system sized pipe would be unable to serve the varied customer demands for gas throughout the entire distribution system, even in very low demand periods. The minimum system was adjusted to accommodate the load-carrying capacity of the minimum sized main. The minimum system study used 2” as the minimum-sized steel mains and 2” as the minimum-sized plastic mains. The minimum system study yielded a customer component of 48.14% for distribution mains as depicted below.



## Allocated Cost of Service Study

### Minimum System

Material	Feet	Cost 2025\$	Minimum Size Cost (per foot, 2025\$)	Customer Component	Customer Component %
Plastic	38,813,104	\$ 4,252,740,374	\$ 63.01	\$ 2,445,541,295	58%
Steel	28,080,227	\$ 4,661,561,118	\$ 74.03	\$ 2,078,857,190	45%
<b>Total</b>	<b>66,893,332</b>	<b>\$ 8,914,301,492</b>		<b>\$ 4,524,398,485</b>	<b>51%</b>

Minimum System Adjusted for Load Carrying Capacity

48.14%

### 3.4. Internal Allocation Factors

Internal Allocation Factors are developed within the ACOSS model based on the cost ratios of allocated cost based the external allocation factors, representing various forms of the composite external and internal factors as mathematical sums.

Allocation Factor	Description
INT_STORPT	Distribution Mains and Services - The factor is based on the allocation of mains and services plant in FERC Accounts 376 and 380.
INT_PSTD_PLANT	Production, Storage, Transmission, and Distribution Plant - The factor is based on the allocation of production, storage, transmission, and distribution gross plant in service i.
INT_TOTPLT	Total Plant in Service - The factor is based on the allocation of total gross plant in service.
INT_RATEBASE	Rate Base - The factor is based on the allocation rate base.
INT_DMAINS_SERV	Distribution Mains and Services - The factor is based on the allocation of mains and services plant in FERC Accounts 376 and 380.
INT_MAINSPLT	Mains Plant – The factor is based on the allocation of mains plant in FERC Account 376.
INT_LABOR	Total Labor Expense – The factor is based on the allocated labor-related expenses
INT_50-50_PLANT-LABOR	Plant and Labor allocation factor based on equal weighting of the allocated total plant and labor-related expenses.
INT_REV_REQ	Revenue Requirement. The factor is based on revenue requirement.



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Allocation Factor	Description
INT_REV_REQ_exludeTAX	Revenue requirement excluding taxes. The factor is based on the revenue requirement exclusive of taxes other than income tax, income taxes, and gross up items.
INT_STORPT_FERC_352-355	Allocated Storage Plant – The factor is based on the allocation of storage plant in FERC Accounts 352, 353, 354, and 355.
INT_DISTPT_FERC_376-386	Allocated Distribution Plant – The factor is based on the allocation of distribution plant in FERC Accounts 376, 378, 380, 381, 382, 385, and 386.
INT_DISTO&M	Allocated Distribution Operations and Maintenance Expenses – The factor is based on the allocation of distribution O&M in FERC Accounts 874, 875, 878, 879, 886, 887, 889, 892, and 893.



### III. PEOPLES' COST OF SERVICE RESULTS

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Schedule 1 - Summary of Cost of Service Under Present and Proposed Rates

Schedule 2 - Functionalized and Classified Results and Unit Costs by Customer Class

Schedule 3 - Cost of Service Allocation Study by Detail

Schedule 4 - Account Balances and Allocation Methods

Schedule 5 - External Allocation Factors

Schedule 6 - Internal Allocation Factors Alternative Cost of Service and Rate of Return Under Present and Proposed Rates



Peoples Natural Gas Company LLC  
Gas Class Cost of Service Study: Average of Customer-Demand and Demand-Commodity Allocation of Distribution Mains  
12 Months Ending December 31, 2027  
Schedule 1 - Summary of Cost of Service and Rate of Return Under Present and Proposed Rates

Line No.	Category Description	Total System	Residential	Small General	Medium General	Large General	Mainline Service
<b>1</b>	<b>Rate Base</b>						
2	Plant in Service	\$ 7,078,132,872	\$ 5,050,573,446	\$ 735,853,429	\$ 815,518,327	\$ 378,544,462	\$ 97,643,209
3	Accumulated Reserve	(1,576,047,666)	(1,125,088,308)	(156,182,415)	(169,982,111)	(90,894,682)	(33,900,149)
4	Other Rate Base Items	226,682,628	150,264,383	22,262,337	26,466,001	17,712,262	9,977,645
<b>5</b>	<b>Total Rate Base</b>	<b>\$ 5,728,767,833</b>	<b>\$ 4,075,749,520</b>	<b>\$ 601,933,351</b>	<b>\$ 672,002,216</b>	<b>\$ 305,362,042</b>	<b>\$ 73,720,705</b>
<b>6</b>	<b>Revenue at Current Rates</b>						
7	Base Rate Revenue	\$ 616,555,782	\$ 431,488,517	\$ 54,788,815	\$ 65,431,384	\$ 57,668,118	\$ 7,178,949
8	Gas Cost Revenue	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
9	Rider Revenue	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
10	Other Revenue	1,161,086	1,022,090	121,118	15,414	1,956	509
11	Forfeited Discounts	6,931,495	6,155,055	430,364	243,685	102,391	-
12	Gathering Revenue	6,696,382	937,846	335,707	1,110,709	2,252,752	2,059,367
<b>13</b>	<b>Total Revenue at Current Rates</b>	<b>\$ 1,184,614,065</b>	<b>\$ 875,171,173</b>	<b>\$ 116,045,549</b>	<b>\$ 108,167,260</b>	<b>\$ 72,051,809</b>	<b>\$ 13,178,274</b>
<b>14</b>	<b>Expenses at Current Rates</b>						
15	Gas Cost Expense	\$ 505,919,390	\$ 399,536,779	\$ 57,104,184	\$ 38,013,446	\$ 7,080,512	\$ 4,184,468
16	O&M and A&G Expenses	219,345,146	156,186,596	23,383,010	21,367,001	12,569,547	5,838,992
17	Depreciation and Amortization Expense	181,181,596	129,672,768	19,582,470	20,003,035	9,369,651	2,553,672
18	Taxes Other Than Income	13,759,055	9,915,074	1,541,075	1,389,418	661,626	251,861
19	Current Income Taxes	(80,556,297)	(54,797,147)	(4,397,790)	(8,346,120)	(12,908,827)	(106,414)
<b>20</b>	<b>Total Expenses at Current Rates</b>	<b>\$ 839,648,890</b>	<b>\$ 640,514,070</b>	<b>\$ 97,212,950</b>	<b>\$ 72,426,780</b>	<b>\$ 16,772,510</b>	<b>\$ 12,722,580</b>
<b>21</b>	<b>Operating Income at Current Rates</b>	<b>\$ 344,965,175</b>	<b>\$ 234,657,102</b>	<b>\$ 18,832,599</b>	<b>\$ 35,740,480</b>	<b>\$ 55,279,300</b>	<b>\$ 455,693</b>
22	Current Rate of Return	6.02%	5.76%	3.13%	5.32%	18.10%	0.62%
23	Relative Rate of Return	1.00	0.96	0.52	0.88	3.01	0.10
24	Current Revenue to Cost Ratio	0.88	0.88	0.79	0.83	1.38	0.72
25	Current Parity Ratio	1.00	1.00	0.90	0.94	1.57	0.82
<b>26</b>	<b>Current Revenue at Equal Rates of Return</b>						
27	Current Rate of Return	6.02%	6.02%	6.02%	6.02%	6.02%	6.02%
28	Current Operating Income at Equal ROR	\$ 344,965,175	\$ 245,426,536	\$ 36,246,196	\$ 40,465,484	\$ 18,387,771	\$ 4,439,188
29	Current Income Taxes - Equal ROR	(80,556,297)	(57,312,026)	(8,464,215)	(9,449,503)	(4,293,914)	(1,036,639)
30	Expenses other than Income Tax - Equal ROR	920,205,187	697,826,096	105,677,165	81,876,283	21,066,423	13,759,220
31	Current Revenue at Equal Rates of Return	\$ 1,184,614,065	\$ 885,940,606	\$ 133,459,146	\$ 112,892,264	\$ 35,160,280	\$ 17,161,768
32	Less Gas Cost	(505,919,390)	(399,536,779)	(57,104,184)	(38,013,446)	(7,080,512)	(4,184,468)
33	Current Margin at Equal Rates of Return	\$ 678,694,674	\$ 486,403,827	\$ 76,354,962	\$ 74,878,817	\$ 28,079,768	\$ 12,977,300
34	Current (Subsidies)/Excesses	\$ -	\$ (10,769,433)	\$ (17,413,598)	\$ (4,725,004)	\$ 36,891,529	\$ (3,983,494)

Peoples Natural Gas Company LLC  
Gas Class Cost of Service Study: Average of Customer-Demand and Demand-Commodity Allocation of Distribution Mains  
12 Months Ending December 31, 2027  
Schedule 1 - Summary of Cost of Service and Rate of Return Under Present and Proposed Rates

Line No.	Category Description	Total System	Residential	Small General	Medium General	Large General	Mainline Service
35	<b>Revenue Requirement at Equal Rates of Return</b>						
36	Required Return	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%
37	Required Operating Income	\$ 471,404,690	\$ 335,382,319	\$ 49,531,455	\$ 55,297,231	\$ 25,127,410	\$ 6,066,276
38	<b>Expenses at Required Return</b>						
39	Gas Cost Expense	\$ 505,919,390	\$ 399,536,779	\$ 57,104,184	\$ 38,013,446	\$ 7,080,512	\$ 4,184,468
40	O&M and A&G Expenses	219,345,146	156,186,596	23,383,010	21,367,001	12,569,547	5,838,992
41	Depreciation and Amortization Expense	181,181,596	129,672,768	19,582,470	20,003,035	9,369,651	2,553,672
42	Taxes Other Than Income	13,759,055	9,915,074	1,541,075	1,389,418	661,626	251,861
43	Current Income Taxes	(80,556,297)	(57,312,026)	(8,464,215)	(9,449,503)	(4,293,914)	(1,036,639)
44	Gross-up Federal Income Tax	33,610,504	23,912,297	3,531,524	3,942,616	1,791,550	432,517
45	Gross-up Bad Debts	3,121,918	2,844,596	126,980	110,646	39,697	-
46	<b>Total Expenses at Required Return</b>	<b>\$ 876,381,313</b>	<b>\$ 664,756,084</b>	<b>\$ 96,805,029</b>	<b>\$ 75,376,659</b>	<b>\$ 27,218,669</b>	<b>\$ 12,224,871</b>
47	<b>Total Revenue Requirement at Equal Rates of Return</b>	<b>\$ 1,347,786,003</b>	<b>\$ 1,000,138,402</b>	<b>\$ 146,336,484</b>	<b>\$ 130,673,890</b>	<b>\$ 52,346,079</b>	<b>\$ 18,291,147</b>
48	LESS						
49	Gas Cost Revenues	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
50	Rider Revenue	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
51	Current Gathering, Forfeited Discounts, Other	14,788,962	8,114,991	887,189	1,369,808	2,357,099	2,059,875
52	<b>Base Rate Revenue Requirement at Equal Rates of Return</b>	<b>\$ 779,727,720</b>	<b>\$ 556,455,747</b>	<b>\$ 85,079,750</b>	<b>\$ 87,938,013</b>	<b>\$ 37,962,387</b>	<b>\$ 12,291,823</b>
53	<b>Revenue (Deficiency)/Surplus</b>	<b>\$ (163,171,938)</b>	<b>\$ (124,967,230)</b>	<b>\$ (30,290,935)</b>	<b>\$ (22,506,630)</b>	<b>\$ 19,705,730</b>	<b>\$ (5,112,874)</b>
54	Additional Forfeited Discounts	1,168,126	1,037,277	72,527	41,067	17,255	-
55	Additional Proposed Gathering Revenue	1,146,880	160,624	57,496	190,230	385,826	352,705
56	Change in Miscellaneous Services	(14,085)	(12,461)	(1,467)	(149)	(7)	(0)
57	Total Other Revenue (Decrease)/Increase	2,300,922	1,185,440	128,556	231,147	403,074	352,705
58	<b>Base Rate Revenue Requirement after Other Revenue Increase</b>	<b>\$ 777,426,799</b>	<b>\$ 555,270,307</b>	<b>\$ 84,951,195</b>	<b>\$ 87,706,866</b>	<b>\$ 37,559,313</b>	<b>\$ 11,939,118</b>
59	Margin (Deficiency)/Surplus	\$ (160,871,017)	\$ (123,781,790)	\$ (30,162,380)	\$ (22,275,482)	\$ 20,108,804	\$ (4,760,169)
60	Proposed Margin (Decrease)/Increase	\$ 160,871,017	\$ 118,163,447	\$ 21,443,151	\$ 21,264,419	\$ -	\$ -
61	Total Revenue at Proposed Rates	\$ 1,347,786,003	\$ 994,520,060	\$ 137,617,255	\$ 129,662,826	\$ 72,454,884	\$ 13,530,978
62	Rider Revenue Converting to Base Rates	\$ 36,969,696	\$ 25,707,802	\$ 2,674,978	\$ 3,286,045	\$ 5,269,803	\$ 31,066
63	<b>Total Base Rate Revenue at Proposed Rates</b>	<b>\$ 814,396,494</b>	<b>\$ 575,359,766</b>	<b>\$ 78,906,944</b>	<b>\$ 89,981,847</b>	<b>\$ 62,937,921</b>	<b>\$ 7,210,016</b>
64	Proposed Percentage Change to Total Revenue	13.8%	13.6%	18.6%	19.9%	0.6%	2.7%
65	Proposed Percentage Change to Margin Revenue	24.0%	25.1%	36.6%	30.6%	0.6%	3.9%
66	Proposed (Subsidies)/Excesses	-	(5,618,343)	(8,719,229)	(1,011,064)	20,108,804	(4,760,169)
67	<b>Operating Income at Proposed Rates</b>						
68	Operating Expenses	\$ 920,205,187	\$ 695,311,217	\$ 101,610,740	\$ 80,772,900	\$ 29,681,336	\$ 12,828,994
69	Proposed Revenue Related Expenses	3,121,918	2,205,592	302,483	344,938	241,267	27,639
70	Operating Income Prior to Taxes	424,458,897	297,003,251	35,704,032	48,544,989	42,532,280	674,346
71	Income Taxes	(46,945,793)	(32,849,006)	(3,948,920)	(5,369,149)	(4,704,134)	(74,584)
72	<b>Total Operating Income at Proposed Rates</b>	<b>\$ 471,404,690</b>	<b>\$ 329,852,258</b>	<b>\$ 39,652,952</b>	<b>\$ 53,914,137</b>	<b>\$ 47,236,414</b>	<b>\$ 748,929</b>
73	Proposed Rate of Return	8.23%	8.09%	6.59%	8.02%	15.47%	1.02%
74	Relative Rate of Return	1.00	0.98	0.80	0.97	1.88	0.12
75	Proposed Revenue to Cost Ratio (Parity Ratio)	1.00	0.99	0.94	0.99	1.38	0.74

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Line	Description	TOTAL	Residential	Small General	Medium General	Large General	Mainline Service
1	<b>Functional Rate Base</b>						
2	<b>Gas Supply</b>						
3	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Commodity	\$ 344,791	\$ 283,062	\$ 39,657	\$ 20,204	\$ 1,869	\$ -
5	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6	Subtotal	\$ 344,791	\$ 283,062	\$ 39,657	\$ 20,204	\$ 1,869	\$ -
7	<b>Gathering</b>						
8	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9	Commodity	\$ 134,741,559	\$ 18,870,916	\$ 6,754,952	\$ 22,349,193	\$ 45,328,857	\$ 41,437,641
10	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11	Subtotal	\$ 134,741,559	\$ 18,870,916	\$ 6,754,952	\$ 22,349,193	\$ 45,328,857	\$ 41,437,641
12	<b>Storage</b>						
13	Demand	\$ 30,151,382	\$ 16,633,990	\$ 3,255,822	\$ 4,677,131	\$ 3,095,160	\$ 2,489,279
14	Commodity	\$ 50,871,476	\$ 23,463,507	\$ 4,822,253	\$ 6,905,395	\$ 8,171,499	\$ 7,508,823
15	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16	Subtotal	\$ 81,022,858	\$ 40,097,497	\$ 8,078,074	\$ 11,582,526	\$ 11,266,659	\$ 9,998,102
17	<b>Transmission</b>						
18	Demand	\$ 312,676,339	\$ 177,719,734	\$ 34,525,001	\$ 49,621,627	\$ 28,750,565	\$ 22,059,412
19	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21	Subtotal	\$ 312,676,339	\$ 177,719,734	\$ 34,525,001	\$ 49,621,627	\$ 28,750,565	\$ 22,059,412
22	<b>Distribution</b>						
23	Demand	\$ 3,130,629,423	\$ 1,981,365,642	\$ 377,645,580	\$ 556,379,820	\$ 215,238,381	\$ -
24	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
25	Customer	\$ 936,157,945	\$ 867,056,809	\$ 63,695,579	\$ 5,364,291	\$ 41,266	\$ -
26	Subtotal	\$ 4,066,787,368	\$ 2,848,422,451	\$ 441,341,160	\$ 561,744,111	\$ 215,279,646	\$ -
27	<b>Dist On-Site</b>						
28	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
29	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
30	Customer	\$ 1,115,203,658	\$ 973,925,754	\$ 109,785,297	\$ 26,543,061	\$ 4,724,331	\$ 225,214
31	Subtotal	\$ 1,115,203,658	\$ 973,925,754	\$ 109,785,297	\$ 26,543,061	\$ 4,724,331	\$ 225,214
32	<b>Accts &amp; Service</b>						
33	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
35	Customer	\$ 17,991,260	\$ 16,430,106	\$ 1,409,208	\$ 141,494	\$ 10,116	\$ 335
36	Subtotal	\$ 17,991,260	\$ 16,430,106	\$ 1,409,208	\$ 141,494	\$ 10,116	\$ 335
37	<b>Total</b>						
38	Demand	\$ 3,473,457,144	\$ 2,175,719,366	\$ 415,426,403	\$ 610,678,578	\$ 247,084,106	\$ 24,548,691
39	Commodity	\$ 185,957,826	\$ 42,617,485	\$ 11,616,862	\$ 29,274,791	\$ 53,502,224	\$ 48,946,464
40	Customer	\$ 2,069,352,863	\$ 1,857,412,670	\$ 174,890,085	\$ 32,048,847	\$ 4,775,712	\$ 225,550
41	<b>TOTAL RATE BASE</b>	\$ 5,728,767,833	\$ 4,075,749,520	\$ 601,933,351	\$ 672,002,216	\$ 305,362,042	\$ 73,720,705

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Line	Description	TOTAL	Residential	Small General	Medium General	Large General	Mainline Service
42	<b>Functional Revenue Requirement</b>						
43	<b>Gas Supply (Excluding Gas Cost)</b>						
44	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
45	Commodity	\$ 1,467,958	\$ 1,133,051	\$ 163,890	\$ 124,186	\$ 27,745	\$ 19,086
46	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
47	Subtotal	\$ 1,467,958	\$ 1,133,051	\$ 163,890	\$ 124,186	\$ 27,745	\$ 19,086
48	<b>Gathering</b>						
49	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
50	Commodity	\$ 31,829,205	\$ 4,457,765	\$ 1,595,683	\$ 5,279,418	\$ 10,707,769	\$ 9,788,570
51	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
52	Subtotal	\$ 31,829,205	\$ 4,457,765	\$ 1,595,683	\$ 5,279,418	\$ 10,707,769	\$ 9,788,570
53	<b>Storage</b>						
54	Demand	\$ 7,188,087	\$ 3,951,332	\$ 774,116	\$ 1,111,983	\$ 746,994	\$ 603,662
55	Commodity	\$ 3,797,143	\$ 1,751,361	\$ 359,942	\$ 515,432	\$ 609,936	\$ 560,473
56	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57	Subtotal	\$ 10,985,230	\$ 5,702,692	\$ 1,134,058	\$ 1,627,415	\$ 1,356,930	\$ 1,164,135
58	<b>Transmission</b>						
59	Demand	\$ 44,011,934	\$ 25,015,610	\$ 4,859,696	\$ 6,984,679	\$ 4,046,894	\$ 3,105,055
60	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
61	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
62	Subtotal	\$ 44,011,934	\$ 25,015,610	\$ 4,859,696	\$ 6,984,679	\$ 4,046,894	\$ 3,105,055
63	<b>Distribution</b>						
64	Demand	\$ 401,459,396	\$ 253,845,211	\$ 48,402,865	\$ 71,272,492	\$ 27,938,828	\$ -
65	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
66	Customer	\$ 117,568,140	\$ 108,773,818	\$ 8,048,728	\$ 735,351	\$ 10,243	\$ -
67	Subtotal	\$ 519,027,535	\$ 362,619,028	\$ 56,451,593	\$ 72,007,843	\$ 27,949,070	\$ -
68	<b>Dist On-Site</b>						
69	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
71	Customer	\$ 166,852,105	\$ 141,708,537	\$ 19,264,352	\$ 5,117,104	\$ 734,057	\$ 28,055
72	Subtotal	\$ 166,852,105	\$ 141,708,537	\$ 19,264,352	\$ 5,117,104	\$ 734,057	\$ 28,055
73	<b>Accts &amp; Service</b>						
74	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
75	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
76	Customer	\$ 67,692,645	\$ 59,964,939	\$ 5,763,028	\$ 1,519,799	\$ 443,102	\$ 1,777
77	Subtotal	\$ 67,692,645	\$ 59,964,939	\$ 5,763,028	\$ 1,519,799	\$ 443,102	\$ 1,777
78	<b>Total</b>						
79	Demand	\$ 452,659,416	\$ 282,812,152	\$ 54,036,677	\$ 79,369,153	\$ 32,732,716	\$ 3,708,718
80	Commodity	\$ 37,094,306	\$ 7,342,178	\$ 2,119,514	\$ 5,919,036	\$ 11,345,450	\$ 10,368,129
81	Customer	\$ 352,112,890	\$ 310,447,294	\$ 33,076,108	\$ 7,372,254	\$ 1,187,402	\$ 29,832
82	<b>TOTAL REVENUE REQUIREMENT AT EQUAL RATES OF RETURN</b>	\$ 841,866,612	\$ 600,601,623	\$ 89,232,300	\$ 92,660,444	\$ 45,265,567	\$ 14,106,679
83	Demand	53.77%	47.09%	60.56%	85.66%	72.31%	26.29%
84	Energy	4.41%	1.22%	2.38%	6.39%	25.06%	73.50%
85	Customer	41.83%	51.69%	37.07%	7.96%	2.62%	0.21%

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Line	Description	TOTAL	Residential	Small General	Medium General	Large General	Mainline Service
86	<b>Unit Costs</b>						
87	<b>Gas Supply (Excluding Gas Cost)</b>						
88	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
89	Commodity	\$ 0.01	\$ 0.02	\$ 0.02	\$ 0.01	\$ 0.00	\$ 0.00
90	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
91	<b>Gathering</b>						
92	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
93	Commodity	\$ 0.24	\$ 0.08	\$ 0.16	\$ 0.33	\$ 0.40	\$ 0.41
94	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95	<b>Storage</b>						
96	Demand	\$ 430.30	\$ 416.16	\$ 419.69	\$ 419.45	\$ 486.32	\$ 512.21
97	Commodity	\$ 0.03	\$ 0.03	\$ 0.04	\$ 0.03	\$ 0.02	\$ 0.02
98	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
99	<b>Transmission</b>						
100	Demand	\$ 2,634.68	\$ 2,634.68	\$ 2,634.68	\$ 2,634.68	\$ 2,634.68	\$ 2,634.68
101	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
102	Customer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
103	<b>Distribution</b>						
104	Demand	\$ 24,032.47	\$ 26,735.31	\$ 26,241.53	\$ 26,884.55	\$ 18,189.20	\$ -
105	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
106	Customer	\$ 13.97	\$ 14.00	\$ 13.85	\$ 12.44	\$ 3.73	\$ -
107	<b>Dist On-Site</b>						
108	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
109	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
110	Customer	\$ 19.83	\$ 18.23	\$ 33.15	\$ 86.60	\$ 266.97	\$ 294.41
111	<b>Accts &amp; Service</b>						
112	Demand	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
113	Commodity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
114	Customer	\$ 8.04	\$ 7.72	\$ 9.92	\$ 25.72	\$ 161.15	\$ 18.65
115	<b>Total</b>						
116	Commodity	\$ 0.2793	\$ 0.1310	\$ 0.2079	\$ 0.3713	\$ 0.4266	\$ 0.4311
117	Customer (per cust month)	\$ 41.84	\$ 39.95	\$ 56.91	\$ 124.77	\$ 431.84	\$ 313.06
118	Demand & Customer (per cust month)	\$ 95.64	\$ 76.34	\$ 149.89	\$ 1,467.99	\$ 12,336.33	\$ 39,231.98
119	Customer excld Distribution (per cust month)	\$ 27.87	\$ 25.95	\$ 43.06	\$ 112.32	\$ 428.12	\$ 313.06
120	<b>BILLING DETERMINANTS</b>						
121	Demand (Peak Day Demand * 12)	16,705	9,495	1,845	2,651	1,536	1,179
122	Energy	132,812,818	56,027,619	10,195,720	15,942,758	26,598,052	24,048,669
123	Customers (Number of Bills)	8,414,841	7,771,748	581,159	59,089	2,750	95

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Line No.	Account Description	FERC						
		Account	Account Balance	Residential	Small General	Medium General	Large General	Mainline Service
1	<b>RATE BASE</b>							
2	<b>Plant in Service</b>							
3	<b>Intangible Plant</b>							
4	Organization	301	177,886	126,792	18,496	20,603	9,549	2,446
5	Franchises & Consents	302	71,371	50,871	7,421	8,266	3,831	981
6	Misc. Intangible Plant - Plant Related	303	18,840,458	13,428,974	1,958,946	2,182,099	1,011,409	259,031
7	Misc. Intangible Plant - Customer Related	303	29,679,309	27,411,108	2,049,760	208,407	9,698	336
8	Misc. Intangible Plant - Labor Related	303	68,394,813	47,963,269	8,048,758	6,880,524	3,825,663	1,676,599
9	Subtotal - Intangible Plant		117,163,837	88,981,015	12,083,380	9,299,898	4,860,151	1,939,393
10	<b>Production Plant</b>							
11	Other Land & Land Rights-Land	325	2,458,969	344,385	123,275	407,862	827,230	756,217
12	Field Compressor Station Structures	327	12,308,841	1,723,886	617,075	2,041,632	4,140,858	3,785,390
13	Field M&R Station Structures	328	100,015	14,007	5,014	16,589	33,646	30,758
14	Other Structures	329	1,926,214	269,771	96,566	319,496	648,004	592,377
15	Producing Gas Wells - Construction	330	9,214	1,291	462	1,528	3,100	2,834
16	Producing Gas Wells - Equipment	331	2,961	415	148	491	996	910
17	Field Lines	332	116,633,036	16,334,769	5,847,124	19,345,584	39,236,908	35,868,650
18	Field Compressor Station Equipment	333	51,277,481	7,181,549	2,570,676	8,505,247	17,250,428	15,769,580
19	Field M&R Station Equip-Company	334	3,954,072	553,778	198,228	655,850	1,330,203	1,216,012
20	Other Equipment-Other	337	9,646	1,351	484	1,600	3,245	2,966
21	Subtotal - Production Plant		188,680,448	26,425,202	9,459,052	31,295,880	63,474,618	58,025,695
22	<b>Natural Gas Storage Plant and Processing Plant</b>							
23	Land & Land Rights	350	235,521	128,870	25,277	36,307	24,858	20,209
24	Structures & improvement	351	2,400,554	1,313,513	257,639	370,057	253,369	205,977
25	Wells	352	10,964,728	6,232,159	1,210,700	1,740,099	1,008,206	773,565
26	Lines	353	3,688,379	1,701,195	349,632	500,668	592,465	544,419
27	Compressor Station Equipment	354	16,961,957	9,640,878	1,872,900	2,691,857	1,559,651	1,196,671
28	Measuring and Regulating Equipment	355	3,204,486	1,478,009	303,762	434,983	514,737	472,994
29	Other Equipment	357	30,184	16,516	3,239	4,653	3,186	2,590
30	Subtotal - Natural Gas Storage Plant and Processing Plant		37,485,809	20,511,139	4,023,150	5,778,623	3,956,472	3,216,424
31	<b>Transmission plant</b>							
32	Land and Land Rights	365	8,502,472	4,832,656	938,823	1,349,339	781,802	599,852
33	Structures and improvements	366	3,987,533	2,266,444	440,294	632,820	366,653	281,322
34	Mains	367	340,064,649	193,286,767	37,549,155	53,968,142	31,268,918	23,991,666
35	Compressor station equipment	368	23,699,523	13,470,392	2,616,847	3,761,106	2,179,169	1,672,009
36	Measuring and regulating station equipment	369	53,753,939	30,552,794	5,935,386	8,530,732	4,942,671	3,792,357
37	Other equipment	371	2,650,785	1,506,660	292,694	420,679	243,740	187,014
38	Subtotal - Transmission plant		432,658,902	245,915,713	47,773,199	68,662,818	39,782,953	30,524,219

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Line No.	Account Description	FERC						
		Account	Account Balance	Residential	Small General	Medium General	Large General	Mainline Service
39	<b>Distribution Plant</b>							
40	Land and land rights	374	14,911,196	11,064,308	1,568,275	1,654,405	623,235	973
41	Structures and improvements	375	33,249,106	24,671,284	3,496,952	3,689,006	1,389,694	2,170
42	Mains - Low Pressure	376.1	2,362,725,305	1,744,861,043	271,236,313	346,627,950	-	-
43	Mains - Regulated Pressure	376.2	2,001,957,324	1,326,376,358	201,323,878	250,837,849	223,419,239	-
44	Measuring and regulating station equipment—general	378	194,519,575	118,953,729	23,108,731	33,213,405	19,243,709	-
45	Services	380	1,121,478,959	1,035,292,780	77,417,600	8,355,146	397,279	16,154
46	Meters	381	215,186,367	159,379,288	41,309,922	13,322,740	1,166,705	7,712
47	Meter installations	382	55,977,212	41,459,914	10,746,100	3,465,693	303,499	2,006
48	Industrial measuring and regulating station equipment	385	13,415,312	-	978,397	6,744,198	5,328,869	363,849
49	Other property on customers' premises	386	14,644,532	10,846,575	2,811,351	906,681	79,400	525
50	Other equipment	387	16,379,114	12,153,523	1,722,662	1,817,272	684,589	1,069
51	Subtotal - Distribution Plant		6,044,444,002	4,485,058,802	635,720,181	670,634,344	252,636,218	394,457
52	<b>General Plant</b>							
53	Land and Land Rights	389	4,718,890	3,363,499	490,649	546,541	253,323	64,878
54	Structures and Improvements	390	85,917,724	61,239,854	8,933,336	9,950,978	4,612,304	1,181,251
55	Office Furniture and Equipment	391	4,412,449	3,145,076	458,786	511,049	236,873	60,665
56	Transportation Equipment	392	96,307,948	68,645,728	10,013,664	11,154,373	5,170,080	1,324,103
57	Stores Equipment	393	457	326	47	53	25	6
58	Tools, Shop, and Garage Equipment	394	10,033,365	7,151,514	1,043,224	1,162,063	538,619	137,945
59	Laboratory Equipment	395	-	-	-	-	-	-
60	Power Operated Equipment	396	18,451,517	13,151,747	1,918,505	2,137,052	990,529	253,683
61	Communication Equipment	397	37,802,638	26,944,708	3,930,547	4,378,296	2,029,351	519,735
62	Misc. Equipment	398	54,886	39,121	5,707	6,357	2,946	755
63	Other Intangible Property	399	-	-	-	-	-	-
64	Subtotal - General Plant		257,699,874	183,681,573	26,794,466	29,846,762	13,834,051	3,543,021
65	<b>Total Plant in Service</b>		7,078,132,872	5,050,573,446	735,853,429	815,518,327	378,544,462	97,643,209

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Line No.	Account Description	FERC Account	Account Balance	Residential	Small General	Medium General	Large General	Mainline Service
66	<b>Accumulated Depreciation &amp; Amortization</b>							
67	<b>Intangible Plant</b>							
68	Organization	301	-	-	-	-	-	-
69	Franchises & Consents	302	-	-	-	-	-	-
70	Misc. Intangible Plant - Plant Related	303	(1,344,212)	(958,118)	(139,765)	(155,686)	(72,161)	(18,481)
71	Misc. Intangible Plant - Customer Related	303	(15,457,263)	(14,275,963)	(1,067,534)	(108,540)	(5,051)	(175)
72	Misc. Intangible Plant - Labor Related	303	(45,886,851)	(32,179,098)	(5,400,002)	(4,616,221)	(2,566,681)	(1,124,849)
73	Subtotal - Intangible Plant		(62,688,326)	(47,413,179)	(6,607,302)	(4,880,447)	(2,643,893)	(1,143,505)
74	<b>Production Plant</b>							
75	Other Land & Land Rights-Land	325	(1,177,571)	(164,922)	(59,035)	(195,320)	(396,151)	(362,143)
76	Field Compressor Station Structures	327	(5,753,879)	(805,846)	(288,457)	(954,379)	(1,935,682)	(1,769,515)
77	Field M&R Station Structures	328	(55,565)	(7,782)	(2,786)	(9,216)	(18,693)	(17,088)
78	Other Structures	329	(1,071,077)	(150,007)	(53,696)	(177,656)	(360,325)	(329,393)
79	Producing Gas Wells - Construction	330	(10,461)	(1,465)	(524)	(1,735)	(3,519)	(3,217)
80	Producing Gas Wells - Equipment	331	(2,883)	(404)	(145)	(478)	(970)	(887)
81	Field Lines	332	(34,247,273)	(4,796,422)	(1,716,907)	(5,680,496)	(11,521,239)	(10,532,208)
82	Field Compressor Station Equipment	333	(20,354,472)	(2,850,698)	(1,020,424)	(3,376,137)	(6,847,516)	(6,259,697)
83	Field M&R Station Equip-Company	334	(3,130,540)	(438,441)	(156,942)	(519,254)	(1,053,155)	(962,748)
84	Other Equipment-Other	337	10,458	1,465	524	1,735	3,518	3,216
85	Subtotal - Production Plant		(65,793,263)	(9,214,523)	(3,298,391)	(10,912,938)	(22,133,731)	(20,233,680)
86	<b>Natural Gas Storage Plant and Processing Plant</b>							
87	Land & Land Rights	350	(56,756)	(31,055)	(6,091)	(8,749)	(5,990)	(4,870)
88	Structures & improvement	351	(1,152,588)	(630,662)	(123,701)	(177,677)	(121,651)	(98,896)
89	Wells	352	(943,898)	(536,495)	(104,223)	(149,796)	(86,791)	(66,592)
90	Lines	353	(2,298,382)	(1,060,085)	(217,870)	(311,987)	(369,190)	(339,250)
91	Compressor Station Equipment	354	(4,652,235)	(2,644,249)	(513,689)	(738,308)	(427,773)	(328,217)
92	Measuring and Regulating Equipment	355	(665,764)	(307,071)	(63,110)	(90,372)	(106,942)	(98,269)
93	Other Equipment	357	(30,184)	(16,516)	(3,239)	(4,653)	(3,186)	(2,590)
94	Subtotal - Natural Gas Storage Plant and Processing Plant		(9,799,807)	(5,226,133)	(1,031,924)	(1,481,543)	(1,121,523)	(938,684)
95	<b>Transmission plant</b>							
96	Land and Land Rights	365	(3,060,664)	(1,739,628)	(337,951)	(485,726)	(281,428)	(215,931)
97	Structures and improvements	366	(2,466,820)	(1,402,097)	(272,381)	(391,483)	(226,824)	(174,035)
98	Mains	367	(107,876,550)	(61,315,134)	(11,911,480)	(17,119,971)	(9,919,240)	(7,610,724)
99	Compressor station equipment	368	(9,948,125)	(5,654,339)	(1,098,449)	(1,578,764)	(914,729)	(701,843)
100	Measuring and regulating station equipment	369	(20,314,582)	(11,546,451)	(2,243,089)	(3,223,917)	(1,867,924)	(1,433,200)
101	Other equipment	371	(1,405,570)	(798,901)	(155,200)	(223,063)	(129,242)	(99,163)
102	Subtotal - Transmission plant		(145,072,311)	(82,456,551)	(16,018,550)	(23,022,926)	(13,339,388)	(10,234,896)

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Line No.	Account Description	FERC						
		Account	Account Balance	Residential	Small General	Medium General	Large General	Mainline Service
103	<b>Distribution Plant</b>							
104	Land and land rights	374	(3,676,011)	(2,727,650)	(386,622)	(407,855)	(153,644)	(240)
105	Structures and improvements	375	(22,881,517)	(16,978,394)	(2,406,548)	(2,538,717)	(956,366)	(1,493)
106	Mains - Low Pressure	376.1	(390,697,447)	(288,528,147)	(44,851,314)	(57,317,986)	-	-
107	Mains - Regulated Pressure	376.2	(345,794,022)	(229,102,294)	(34,774,264)	(43,326,712)	(38,590,751)	-
108	Measuring and regulating station equipment—general	378	(42,254,289)	(25,839,586)	(5,019,767)	(7,214,743)	(4,180,192)	-
109	Services	380	(350,377,610)	(323,450,928)	(24,187,162)	(2,610,353)	(124,120)	(5,047)
110	Meters	381	(15,651,417)	(11,592,332)	(3,004,646)	(969,019)	(84,859)	(561)
111	Meter installations	382	(10,124,405)	(7,498,711)	(1,943,610)	(626,828)	(54,893)	(363)
112	Industrial measuring and regulating station equipment	385	(6,733,920)	-	(491,114)	(3,385,302)	(2,674,867)	(182,637)
113	Other property on customers' premises	386	(14,644,532)	(10,846,575)	(2,811,351)	(906,681)	(79,400)	(525)
114	Other equipment	387	(5,621,218)	(4,171,019)	(591,208)	(623,677)	(234,947)	(367)
115	Subtotal - Distribution Plant		(1,208,456,388)	(920,735,636)	(120,467,607)	(119,927,874)	(47,134,040)	(191,232)
116	<b>General Plant</b>							
117	Land and Land Rights	389	(40,422)	(28,812)	(4,203)	(4,682)	(2,170)	(556)
118	Structures and Improvements	390	(15,264,067)	(10,879,818)	(1,587,089)	(1,767,882)	(819,418)	(209,860)
119	Office Furniture and Equipment	391	(3,937,073)	(2,806,240)	(409,359)	(455,991)	(211,353)	(54,129)
120	Transportation Equipment	392	(31,661,830)	(22,567,705)	(3,292,054)	(3,667,069)	(1,699,696)	(435,307)
121	Stores Equipment	393	(53)	(38)	(6)	(6)	(3)	(1)
122	Tools, Shop, and Garage Equipment	394	(4,916,875)	(3,504,617)	(511,234)	(569,472)	(263,952)	(67,600)
123	Laboratory Equipment	395	-	-	-	-	-	-
124	Power Operated Equipment	396	(9,115,311)	(6,497,150)	(947,769)	(1,055,734)	(489,335)	(125,323)
125	Communication Equipment	397	(19,253,196)	(13,723,163)	(2,001,860)	(2,229,902)	(1,033,565)	(264,705)
126	Misc. Equipment	398	(48,744)	(34,743)	(5,068)	(5,646)	(2,617)	(670)
127	Other Intangible Property	399	-	-	-	-	-	-
128	Subtotal - General Plant		(84,237,571)	(60,042,286)	(8,758,641)	(9,756,383)	(4,522,109)	(1,158,152)
129	<b>Total Accumulated Depreciation &amp; Amortization</b>		(1,576,047,666)	(1,125,088,308)	(156,182,415)	(169,982,111)	(90,894,682)	(33,900,149)
130	<b>Other Rate Base Items</b>							
131	Gas Storage Underground - NonCurrent	117.1	51,833	23,907	4,913	7,036	8,326	7,651
132	Gas Stored Underground - Current	117.2	50,819,643	23,439,600	4,817,339	6,898,359	8,163,173	7,501,173
133	Materials and Supplies	154	6,179,262	4,404,413	642,492	715,681	331,720	84,956
134	Prepayments	165	5,055,085	3,603,129	525,605	585,479	271,371	69,501
135	Cash Working Capital		47,681,867	33,986,359	4,957,745	5,522,507	2,559,696	655,561
136	Deferred Income Taxes	190	120,652,294	85,997,726	12,544,879	13,973,931	6,476,953	1,658,804
137	Customer Advances and Deposits	252, 235	(3,757,357)	(1,190,751)	(1,230,636)	(1,236,993)	(98,977)	-
138	Total Other Rate Base Items		226,682,628	150,264,383	22,262,337	26,466,001	17,712,262	9,977,645
139	<b>TOTAL RATE BASE</b>		5,728,767,833	4,075,749,520	601,933,351	672,002,216	305,362,042	73,720,705

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Line No.	Account Description	FERC						Mainline Service
		Account	Account Balance	Residential	Small General	Medium General	Large General	
140	<b>OPERATION AND MAINTENANCE EXPENSE</b>							
141	<b>Production, Storage, LNG, Transmission, and Distribution Expense</b>							
142	<b>Natural Gas Production Operating Expense</b>							
143	Field Lines Expenses	756	1,518,601	212,684	76,132	251,886	510,878	467,022
144	Field Compressor Station Expense	754	2,798,519	391,940	140,297	464,182	941,459	860,640
145	Field Compressor Station Fuel/Power	755	1,047,132	146,654	52,496	173,685	352,269	322,029
146	Field Measuring and Regulating Station Expense	756	348,690	48,835	17,481	57,836	117,304	107,234
147	Other Expenses	759	73,928	10,354	3,706	12,262	24,870	22,735
148	Rents	760	19,099	2,675	957	3,168	6,425	5,873
149	Subtotal - Natural Gas Production Operating Expense		5,805,969	813,142	291,069	963,019	1,953,205	1,785,534
150	<b>Natural Gas Production Maintenance Expense</b>							
151	Structures and Improvements	762	45,512	6,374	2,282	7,549	15,311	13,996
152	Producing Gas Wells	763	746	104	37	124	251	229
153	Field Lines	764	4,394,872	615,514	220,327	728,965	1,478,494	1,351,574
154	Field Compressor Station Equipment	765	1,953,788	273,633	97,949	324,069	657,280	600,857
155	Field Measuring and Regulating Station Equipment	766	178,509	25,001	8,949	29,609	60,053	54,898
156	Other Equipment	769	37,676	5,277	1,889	6,249	12,675	11,587
157	Subtotal - Natural Gas Production Maintenance Expense		6,611,102	925,903	331,432	1,096,564	2,224,063	2,033,140
158	<b>Gas Supply Expenses</b>							
159	Gas Cost Expense	800-809	505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
160	Gas Used for Compressor Station Fuel-Credit	810	(2,490,290)	(2,044,440)	(286,428)	(145,923)	(13,497)	-
161	Gas Used for Other Utility Operations-Credit	812	(782,842)	(642,686)	(90,041)	(45,872)	(4,243)	-
162	Other Gas Supply Expenses	813	1,459,975	1,198,588	167,924	85,550	7,913	-
163	Subtotal - Gas Supply Expenses		504,106,233	398,048,241	56,895,638	37,907,201	7,070,685	4,184,468
164	<b>Underground Storage Expenses - Operation</b>							
165	Supervision and Engineering	814	28,019	15,331	3,007	4,319	2,957	2,404
166	Lines Expenses	817	8,179	4,475	878	1,261	863	702
167	Compressor Station Expenses	818	1,679,115	918,763	180,210	258,844	177,224	144,074
168	Compressor Station Fuel/Power	819	336,049	183,876	36,066	51,804	35,469	28,834
169	Meas/Reg Station Expenses	820	1,722	942	185	266	182	148
170	Other Expenses	824	403	221	43	62	43	35
171	Storage Well Royalties	825	24,814	13,578	2,663	3,825	2,619	2,129
172	Subtotal - Underground Storage Expenses - Operation		2,078,303	1,137,187	223,053	320,381	219,356	178,326
173	<b>Underground Storage Expenses - Maintenance</b>							
174	Structures and Improvements	831	951	520	102	147	100	82
175	Reservoirs and Wells	832	747	409	80	115	79	64
176	Lines	833	44,469	24,332	4,773	6,855	4,694	3,816
177	Compressor Station Equipment	834	527,999	288,906	56,667	81,394	55,728	45,304
178	Measuring and Regulating Station Equipment	835	1,178	645	126	182	124	101
179	Other Equipment	837	208	114	22	32	22	18
180	Subtotal - Underground Storage Expenses - Maintenance		575,553	314,926	61,771	88,724	60,747	49,385

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Line No.	Account Description	FERC						
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181	<b>Transmission Operation Expenses</b>							
182	Operation supervision and engineering	850	181,296	103,045	20,018	28,772	16,670	12,790
183	Compressor station labor and expenses	853	150,509	85,547	16,619	23,886	13,839	10,618
184	Gas for compressor station fuel	854	1,107,108	629,261	122,244	175,698	101,799	78,107
185	Mains expenses	856	2,011,328	1,143,204	222,086	319,197	184,941	141,900
186	Measuring and regulating station expenses	857	430,972	244,957	47,587	68,395	39,628	30,405
187	Other expenses	859	48,591	27,618	5,365	7,711	4,468	3,428
188	Rents	860	92,940	52,825	10,262	14,750	8,546	6,557
189	Subtotal - Transmission Operation Expenses		4,022,745	2,286,457	444,182	638,408	369,891	283,806
190	<b>Transmission Maintenance Expenses</b>							
191	Maintenance of structures and improvements	862	36,347	20,659	4,013	5,768	3,342	2,564
192	Maintenance of mains	863	2,821,626	1,603,762	311,557	447,791	259,448	199,067
193	Maintenance of compressor station equipment	864	159,221	90,498	17,581	25,268	14,640	11,233
194	Maintenance of measuring and regulating station equipment	865	1,419,322	806,718	156,718	225,246	130,507	100,134
195	Maintenance of communication equipment	866	192,096	109,184	21,211	30,486	17,663	13,552
196	Maintenance of other equipment	867	13,282	7,549	1,467	2,108	1,221	937
197	Subtotal - Transmission Maintenance Expenses		4,641,894	2,638,371	512,547	736,667	426,822	327,487
198	<b>Distribution Operation Expenses</b>							
199	Operation supervision and engineering	870	(3,834,762)	(2,758,810)	(466,684)	(445,268)	(163,953)	(47)
200	Mains and services expenses	874	18,120,249	13,563,463	1,816,522	2,000,967	739,244	53
201	Measuring and regulating station expenses—general	875	4,838,355	2,958,779	574,792	826,129	478,656	-
202	Meter and house regulator expenses	878	9,326,932	6,908,057	1,790,517	577,454	50,569	334
203	Customer installations expenses	879	7,412,411	5,490,054	1,422,981	458,921	40,189	266
204	Other expenses	880	3,485,200	2,507,328	424,143	404,680	149,008	42
205	Rents	881	569,442	409,669	69,300	66,120	24,346	7
206	Subtotal - Distribution Operation Expenses		39,917,827	29,078,540	5,631,571	3,889,002	1,318,058	656
207	<b>Distribution Maintenance Expenses</b>							
208	Maintenance of structures and improvements	886	6,816,089	5,057,630	716,877	756,249	284,888	445
209	Maintenance of mains	887	42,710,603	30,053,595	4,624,238	5,846,502	2,186,269	-
210	Maintenance of measuring and regulating station equipment—general	889	2,346,880	1,435,178	278,807	400,720	232,176	-
211	Maintenance of services	892	1,985,679	1,833,079	137,075	14,794	703	29
212	Maintenance of meters and house regulators	893	340,582	252,254	65,382	21,086	1,847	12
213	Maintenance of other equipment	894	633,080	455,452	77,045	73,509	27,067	8
214	Subtotal - Distribution Maintenance Expenses		54,832,913	39,087,187	5,899,424	7,112,860	2,732,950	493
215	<b>Total Production, Storage, LNG, Transmission, and Distribution Expense</b>		622,592,539	474,329,952	70,290,688	52,752,827	16,375,777	8,843,296

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Line No.	Account Description	FERC						
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216	<b>Customer Accounts, Service, and Sales Expense</b>							
217	<b>Customer Account</b>							
218	Meter reading expenses	902	2,643,917	2,393,487	188,672	36,238	24,665	855
219	Customer records and collection expenses	903	23,839,487	21,937,507	1,740,590	148,944	12,040	407
220	Uncollectible accounts	904	27,224,753	24,806,355	1,107,328	964,893	346,177	-
221	Subtotal - Customer Account		53,708,158	49,137,349	3,036,590	1,150,075	382,882	1,262
222	<b>Customer Service &amp; Information Expenses</b>							
223	Supervision	907	361,817	358,351	3,132	318	15	1
224	Customer assistance expenses	908	(4,962,532)	(4,914,992)	(42,962)	(4,368)	(203)	(7)
225	Subtotal - Customer Service & Information Expenses		(4,600,715)	(4,556,641)	(39,830)	(4,050)	(188)	(7)
226	<b>Sales Expenses</b>							
227	Supervision	911	468,559	64,147	367,442	36,112	858	-
228	Demonstrating and selling expenses	912	1,083,796	148,375	849,909	83,529	1,984	-
229	Subtotal - Sales Expenses		1,552,356	212,522	1,217,352	119,641	2,842	-
230	<b>Total Customer Accounts, Service, and Sales Expense</b>		50,659,798	44,793,229	4,214,112	1,265,666	385,536	1,255
231	<b>Administrative and General Expenses</b>							
232	Administrative and general salaries	920	14,604,376	10,241,619	1,718,655	1,469,201	816,896	358,005
233	Office supplies and expenses	921	11,597,492	8,132,980	1,364,802	1,166,709	648,706	284,296
234	Administrative expenses transferred—Credit	922	(60,144,727)	(42,177,726)	(7,077,881)	(6,050,564)	(3,364,195)	(1,474,360)
235	Outside services employed	923	37,766,206	26,484,329	4,444,358	3,799,283	2,112,453	925,783
236	Property insurance	924	1,455,896	1,038,849	151,357	167,743	77,863	20,084
237	Injuries and damages	925	12,860,297	9,116,140	1,407,455	1,385,412	704,970	246,321
238	Employee pensions and benefits	926	23,014,551	16,139,427	2,708,371	2,315,266	1,287,319	564,168
239	Regulatory commission expenses	928	992,500	706,117	104,284	116,423	52,903	12,772
240	General advertising expenses	929	2,028,331	1,422,409	238,696	204,050	113,455	49,722
241	Miscellaneous expenses	930	1,915,987	1,343,626	225,475	192,748	107,171	46,968
242	Rents	931	5,765,128	4,042,914	678,445	579,972	322,472	141,324
243	Maintenance of general plant	932	156,162	109,512	18,377	15,710	8,735	3,828
244	Total Administrative and General Expenses		52,012,199	36,600,194	5,982,395	5,361,955	2,888,746	1,178,910
245	<b>TOTAL OPERATION AND MAINTENANCE EXPENSE</b>		725,264,536	555,723,375	80,487,194	59,380,447	19,650,059	10,023,461

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246	<b>Adjustments, Depreciation and Amortization Expense</b>							
247	<b>Depreciation Expense</b>							
248	<b>Intangible Plant</b>							
249	Organization	301	-	-	-	-	-	-
250	Franchises & Consents	302	-	-	-	-	-	-
251	Misc. Intangible Plant - Plant Related	303	515,683	367,565	53,618	59,726	27,683	7,090
252	Misc. Intangible Plant - Customer Related	303	1,843,668	1,702,768	127,330	12,946	602	21
253	Misc. Intangible Plant - Labor Related	303	12,995,172	9,113,132	1,529,283	1,307,315	726,885	318,558
254	Subtotal - Intangible Plant		15,354,523	11,183,465	1,710,231	1,379,988	755,171	325,668
255	<b>Production Plant</b>							
256	Other Land & Land Rights-Land	325	26,470	3,707	1,327	4,391	8,905	8,140
257	Field Compressor Station Structures	327	238,870	33,454	11,975	39,621	80,359	73,461
258	Field M&R Station Structures	328	2,328	326	117	386	783	716
259	Other Structures	329	23,418	3,280	1,174	3,884	7,878	7,202
260	Producing Gas Wells - Construction	330	-	-	-	-	-	-
261	Producing Gas Wells - Equipment	331	42	6	2	7	14	13
262	Field Lines	332	2,244,167	314,302	112,506	372,233	754,968	690,158
263	Field Compressor Station Equipment	333	1,656,831	232,044	83,061	274,814	557,380	509,532
264	Field M&R Station Equip-Company	334	85,340	11,952	4,278	14,155	28,710	26,245
265	Other Equipment-Other	337	2,179	305	109	361	733	670
266	Subtotal - Production Plant		4,279,645	599,376	214,550	709,852	1,439,730	1,316,137
267	<b>Natural Gas Storage Plant and Processing Plant</b>							
268	Land & Land Rights	350	2,826	1,546	303	436	298	242
269	Structures & improvement	351	37,397	20,463	4,014	5,765	3,947	3,209
270	Wells	352	336,917	191,498	37,202	53,469	30,979	23,770
271	Lines	353	50,055	23,087	4,745	6,795	8,040	7,388
272	Compressor Station Equipment	354	482,407	274,192	53,266	76,558	44,357	34,034
273	Measuring and Regulating Equipment	355	58,732	27,089	5,567	7,972	9,434	8,669
274	Other Equipment	357	-	-	-	-	-	-
275	Subtotal - Natural Gas Storage Plant and Processing Plant		968,334	537,874	105,097	150,994	97,057	77,312
276	<b>Transmission plant</b>							
277	Land and Land Rights	365	87,382	49,666	9,649	13,867	8,035	6,165
278	Structures and improvements	366	44,636	25,370	4,929	7,084	4,104	3,149
279	Mains	367	4,344,630	2,469,411	479,724	689,491	399,488	306,515
280	Compressor station equipment	368	572,947	325,653	63,263	90,926	52,682	40,422
281	Measuring and regulating station equipment	369	1,170,894	665,516	129,287	185,820	107,664	82,607
282	Other equipment	371	61,241	34,808	6,762	9,719	5,631	4,321
283	Subtotal - Transmission plant		6,281,730	3,570,425	693,614	996,908	577,605	443,178

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Line No.	Account Description	FERC						Mainline Service
		Account	Account Balance	Residential	Small General	Medium General	Large General	
284	<b>Distribution Plant</b>							
285	Land and land rights	374	184,997	137,270	19,457	20,526	7,732	12
286	Structures and improvements	375	1,251,439	928,585	131,619	138,848	52,306	82
287	Mains - Low Pressure	376.1	44,796,238	33,081,802	5,142,522	6,571,914	-	-
288	Mains - Regulated Pressure	376.2	38,300,721	25,375,751	3,851,655	4,798,939	4,274,376	-
289	Measuring and regulating station equipment—general	378	4,670,074	2,855,870	554,800	797,396	462,008	-
290	Services	380	22,700,627	20,956,073	1,567,063	169,122	8,042	327
291	Meters	381	11,783,749	8,727,716	2,262,159	729,562	63,890	422
292	Meter installations	382	1,744,941	1,292,403	334,981	108,034	9,461	63
293	Industrial measuring and regulating station equipment	385	235,854	-	17,201	118,569	93,687	6,397
294	Other property on customers' premises	386	-	-	-	-	-	-
295	Other equipment	387	696,632	516,910	73,268	77,292	29,117	45
296	Subtotal - Distribution Plant		126,365,272	93,872,381	13,954,725	13,530,201	5,000,617	7,348
297	<b>General Plant</b>							
298	Land and Land Rights	389	491	350	51	57	26	7
299	Structures and Improvements	390	2,951,921	2,104,050	306,927	341,891	158,467	40,585
300	Office Furniture and Equipment	391	94,510	67,364	9,827	10,946	5,074	1,299
301	Transportation Equipment	392	12,533,859	8,933,799	1,303,214	1,451,670	672,853	172,323
302	Stores Equipment	393	53	38	6	6	3	1
303	Tools, Shop, and Garage Equipment	394	373,421	266,164	38,827	43,250	20,046	5,134
304	Laboratory Equipment	395	-	-	-	-	-	-
305	Power Operated Equipment	396	1,266,292	902,579	131,663	146,662	67,978	17,410
306	Communication Equipment	397	2,642,190	1,883,282	274,723	306,018	141,840	36,327
307	Misc. Equipment	398	1,072	764	111	124	58	15
308	Other Intangible Property	399	-	-	-	-	-	-
309	Subtotal - General Plant		19,863,809	14,158,391	2,065,349	2,300,623	1,066,345	273,100
310	<b>Total - Depreciation Expense</b>		173,113,313	123,921,912	18,743,567	19,068,567	8,936,523	2,442,744
311	<b>Amortization Expense</b>							
312	Amortization of net salvage	920	8,068,283	5,750,856	838,904	934,467	433,128	110,928
313	Subtotal - Amortization Expense		8,068,283	5,750,856	838,904	934,467	433,128	110,928
314	<b>Total Adjustments, Depreciation and Amortization Expense</b>		181,181,596	129,672,768	19,582,470	20,003,035	9,369,651	2,553,672

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Line No.	Account Description	FERC Account	Account Balance	Residential	Small General	Medium General	Large General	Mainline Service
315	<b>Taxes</b>							
316	<b>Taxes Other Than Income Taxes</b>							
317	Payroll Taxes	408	5,951,013	4,173,270	700,320	598,672	332,870	145,880
318	Plant Related Taxes	408	1,523,452	1,085,876	158,402	176,446	81,783	20,945
319	PUC Assessment	408	3,858,847	2,858,820	418,977	377,190	151,646	52,213
320	Sales and Use	408	2,425,743	1,797,108	263,377	237,109	95,327	32,822
321	Other General Taxes	408	-	-	-	-	-	-
322	Subtotal - Taxes Other Than Income Taxes		13,759,055	9,915,074	1,541,075	1,389,418	661,626	251,861
323	<b>Income Taxes</b>							
324	Income Taxes - federal taxes utility operating income	409.1	(80,556,297)	(57,312,026)	(8,464,215)	(9,449,503)	(4,293,914)	(1,036,639)
325	Income Taxes - other taxes utility operating income	409.1	-	-	-	-	-	-
326	Subtotal - Income Taxes		(80,556,297)	(57,312,026)	(8,464,215)	(9,449,503)	(4,293,914)	(1,036,639)
327	<b>Total Taxes</b>		(66,797,242)	(47,396,952)	(6,923,139)	(8,060,085)	(3,632,287)	(784,778)
328	<b>REVENUE REQUIREMENT AT EQUAL RATES OF RETURN</b>							
329	Test Year Expenses at Current Rates		839,648,890	637,999,191	93,146,525	71,323,397	25,387,423	11,792,354
330	Return on Rate Base		471,404,690	335,382,319	49,531,455	55,297,231	25,127,410	6,066,276
331	<b>Gross Up Items</b>							
332	Gross-up Federal Income Tax		33,610,504	23,912,297	3,531,524	3,942,616	1,791,550	432,517
333	Gross-up Bad Debts		3,121,918	2,844,596	126,980	110,646	39,697	-
				-	-	-	-	-
				-	-	-	-	-
334	<b>TOTAL REVENUE REQUIREMENT AT EQUAL RATES OF RETURN</b>		1,347,786,003	1,000,138,402	146,336,484	130,673,890	52,346,079	18,291,147
335	<b>INTERNAL ALLOCATION FACTORS</b>							
336	INT_INTGPLT		117,163,837	88,981,015	12,083,380	9,299,898	4,860,151	1,939,393
337	INT_PRODPT		188,680,448	26,425,202	9,459,052	31,295,880	63,474,618	58,025,695
338	INT_STORPT		37,485,809	20,511,139	4,023,150	5,778,623	3,956,472	3,216,424
339	INT_TRANSPT		432,658,902	245,915,713	47,773,199	68,662,818	39,782,953	30,524,219
340	INT_DISTPT		6,044,444,002	4,485,058,802	635,720,181	670,634,344	252,636,218	394,457
341	INT_GENPLT		257,699,874	183,681,573	26,794,466	29,846,762	13,834,051	3,543,021
342	INT_PSTD_PLANT		6,703,269,161	4,777,910,857	696,975,582	776,371,666	359,850,261	92,160,795
343	INT_TOTPLT		7,078,132,872	5,050,573,446	735,853,429	815,518,327	378,544,462	97,643,209
344	INT_RATEBASE		5,728,767,833	4,075,749,520	601,933,351	672,002,216	305,362,042	73,720,705
345	INT_DMANSLS_SERV		5,486,161,588	4,106,530,181	549,977,790	605,820,945	223,816,518	16,154
346	INT_MAINSPLT		4,364,682,629	3,071,237,401	472,560,191	597,465,799	223,419,239	0
347	INT_LABOR		84,510,253	59,264,553	9,945,236	8,501,738	4,727,080	2,071,645
348	INT_50-50_PLANT-LABOR		2	1	0	0	0	0
349	INT_REV_REQ		1,347,786,003	1,000,138,402	146,336,484	130,673,890	52,346,079	18,291,147
350	INT_REV_REQ_excludeTAX		1,377,850,822	1,020,778,462	149,601,119	134,680,713	54,147,120	18,643,408
351	INT_STORPT_FERC_352-355		34,819,550	19,052,240	3,736,995	5,367,606	3,675,059	2,987,649
352	INT_DISTPT_FERC_376-386		5,979,904,587	4,437,169,688	628,932,293	663,473,661	249,938,700	390,245
353	INT_DISTO&M		93,897,781	67,552,088	11,427,192	10,902,822	4,014,540	1,139

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
1	<b>RATE BASE</b>								
2	<b>Plant in Service</b>								
3	<b>Intangible Plant</b>								
4	Organization	301.0	177,886	INT_PSTD_PLANT					
5	Franchises & Consents	302.0	71,371	INT_PSTD_PLANT					
6	Misc. Intangible Plant - Plant Related	303.0	18,840,458	INT_PSTD_PLANT					
7	Misc. Intangible Plant - Customer Related	303.0	29,679,309		ACCTS & SERVICE	CUSTOMER			CUSTOMERS
8	Misc. Intangible Plant - Labor Related	303.0	68,394,813	INT_LABOR					
9	Subtotal - Intangible Plant		117,163,837						
10	<b>Production Plant</b>								
11	Other Land & Land Rights-Land	325.0	2,458,969		GATHERING	COMMODITY		GATHER_VOLUME	
12	Field Compressor Station Structures	327.0	12,308,841		GATHERING	COMMODITY		GATHER_VOLUME	
13	Field M&R Station Structures	328.0	100,015		GATHERING	COMMODITY		GATHER_VOLUME	
14	Other Structures	329.0	1,926,214		GATHERING	COMMODITY		GATHER_VOLUME	
15	Producing Gas Wells - Construction	330.0	9,214		GATHERING	COMMODITY		GATHER_VOLUME	
16	Producing Gas Wells - Equipment	331.0	2,961		GATHERING	COMMODITY		GATHER_VOLUME	
17	Field Lines	332.0	116,633,036		GATHERING	COMMODITY		GATHER_VOLUME	
18	Field Compressor Station Equipment	333.0	51,277,481		GATHERING	COMMODITY		GATHER_VOLUME	
19	Field M&R Station Equip-Company	334.0	3,954,072		GATHERING	COMMODITY		GATHER_VOLUME	
20	Other Equipment-Other	337.0	9,646		GATHERING	COMMODITY		GATHER_VOLUME	
21	Subtotal - Production Plant		188,680,448						
22	<b>Natural Gas Storage Plant and Processing Plant</b>								
23	Land & Land Rights	350.0	235,521	INT_STORPT_FERC_352-355					
24	Structures & improvement	351.0	2,400,554	INT_STORPT_FERC_352-355					
25	Wells	352.0	10,964,728		STORAGE	DEMAND	DESIGN_DAY		
26	Lines	353.0	3,688,379		STORAGE	DEMAND	WINTER_STORAGE		
27	Compressor Station Equipment	354.0	16,961,957		STORAGE	DEMAND	DESIGN_DAY		
28	Measuring and Regulating Equipment	355.0	3,204,486		STORAGE	DEMAND	WINTER_STORAGE		
29	Other Equipment	357.0	30,184	INT_STORPT_FERC_352-355					
30	Subtotal - Natural Gas Storage Plant and Processing Plant		37,485,809						
31	<b>Transmission plant</b>								
32	Land and Land Rights	365.0	8,502,472		TRANSMISSION	DEMAND	DESIGN_DAY		
33	Structures and improvements	366.0	3,987,533		TRANSMISSION	DEMAND	DESIGN_DAY		
34	Mains	367.0	340,064,649		TRANSMISSION	DEMAND	DESIGN_DAY		
35	Compressor station equipment	368.0	23,699,523		TRANSMISSION	DEMAND	DESIGN_DAY		
36	Measuring and regulating station equipment	369.0	53,753,939		TRANSMISSION	DEMAND	DESIGN_DAY		
37	Other equipment	371.0	2,650,785		TRANSMISSION	DEMAND	DESIGN_DAY		
38	Subtotal - Transmission plant		432,658,902						

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor	
39	<b>Distribution Plant</b>									
40	Land and land rights	374.0	14,911,196	INT_DISTPT_FERC_376-386						
41	Structures and improvements	375.0	33,249,106	INT_DISTPT_FERC_376-386						
42	Mains - Low Pressure	376.1	2,362,725,305		DISTRIBUTION	AVERAGE_STUDY	AVG_STUDY_DD_P&A_LP		CUSTOMERS_LP	
43	Mains - Regulated Pressure	376.2	2,001,957,324		DISTRIBUTION	AVERAGE_STUDY	AVG_STUDY_DD_P&A		CUSTOMERS_DIST	
44	Measuring and regulating station equipment—general	378.0	194,519,575		DISTRIBUTION	DEMAND	DESIGN_DAY_DIST			
45	Services	380.0	1,121,478,959		DIST ON-SITE	CUSTOMER			SERVICES	
46	Meters	381.0	215,186,367		DIST ON-SITE	CUSTOMER			METERS	
47	Meter installations	382.0	55,977,212		DIST ON-SITE	CUSTOMER			METERS	
48	Industrial measuring and regulating station equipment	385.0	13,415,312		DIST ON-SITE	CUSTOMER			INDUSTRIAL_M&R	
49	Other property on customers' premises	386.0	14,644,532		DIST ON-SITE	CUSTOMER			METERS	
50	Other equipment	387.0	16,379,114	INT_DISTPT_FERC_376-386						
51	Subtotal - Distribution Plant		6,044,444,002							
52	<b>General Plant</b>									
53	Land and Land Rights	389.0	4,718,890	INT_PSTD_PLANT						
54	Structures and Improvements	390.0	85,917,724	INT_PSTD_PLANT						
55	Office Furniture and Equipment	391.0	4,412,449	INT_PSTD_PLANT						
56	Transportation Equipment	392.0	96,307,948	INT_PSTD_PLANT						
57	Stores Equipment	393.0	457	INT_PSTD_PLANT						
58	Tools, Shop, and Garage Equipment	394.0	10,033,365	INT_PSTD_PLANT						
59	Laboratory Equipment	395.0	0	INT_PSTD_PLANT						
60	Power Operated Equipment	396.0	18,451,517	INT_PSTD_PLANT						
61	Communication Equipment	397.0	37,802,638	INT_PSTD_PLANT						
62	Misc. Equipment	398.0	54,886	INT_PSTD_PLANT						
63	Other Intangible Property	399.0	0	INT_PSTD_PLANT						
64	Subtotal - General Plant		257,699,874							
65	<b>Total Plant in Service</b>		7,078,132,872							

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
66	<b>Accumulated Depreciation &amp; Amortization</b>								
67	<b>Intangible Plant</b>								
68	Organization	301.0	0	INT_PSTD_PLANT	-	-	-	-	-
69	Franchises & Consents	302.0	0	INT_PSTD_PLANT	-	-	-	-	-
70	Misc. Intangible Plant - Plant Related	303.0	(1,344,212)	INT_PSTD_PLANT	-	-	-	-	-
71	Misc. Intangible Plant - Customer Related	303.0	(15,457,263)	-	ACCTS & SERVICE	CUSTOMER	-	-	CUSTOMERS
72	Misc. Intangible Plant - Labor Related	303.0	(45,886,851)	INT_LABOR	-	-	-	-	-
73	Subtotal - Intangible Plant		(62,688,326)						
74	<b>Production Plant</b>								
75	Other Land & Land Rights-Land	325.0	(1,177,571)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
76	Field Compressor Station Structures	327.0	(5,753,879)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
77	Field M&R Station Structures	328.0	(55,565)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
78	Other Structures	329.0	(1,071,077)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
79	Producing Gas Wells - Construction	330.0	(10,461)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
80	Producing Gas Wells - Equipment	331.0	(2,883)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
81	Field Lines	332.0	(34,247,273)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
82	Field Compressor Station Equipment	333.0	(20,354,472)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
83	Field M&R Station Equip-Company	334.0	(3,130,540)	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
84	Other Equipment-Other	337.0	10,458	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
85	Subtotal - Production Plant		(65,793,263)						
86	<b>Natural Gas Storage Plant and Processing Plant</b>								
87	Land & Land Rights	350.0	(56,756)	INT_STORPT_FERC_352-355	-	-	-	-	-
88	Structures & improvement	351.0	(1,152,588)	INT_STORPT_FERC_352-355	-	-	-	-	-
89	Wells	352.0	(943,898)	-	STORAGE	DEMAND	DESIGN_DAY	-	-
90	Lines	353.0	(2,298,382)	-	STORAGE	DEMAND	WINTER_STORAGE	-	-
91	Compressor Station Equipment	354.0	(4,652,235)	-	STORAGE	DEMAND	DESIGN_DAY	-	-
92	Measuring and Regulating Equipment	355.0	(665,764)	-	STORAGE	DEMAND	WINTER_STORAGE	-	-
93	Other Equipment	357.0	(30,184)	INT_STORPT_FERC_352-355	-	-	-	-	-
94	Subtotal - Natural Gas Storage Plant and Processing Plant		(9,799,807)						
95	<b>Transmission plant</b>								
96	Land and Land Rights	365.0	(3,060,664)	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
97	Structures and improvements	366.0	(2,466,820)	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
98	Mains	367.0	(107,876,550)	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
99	Compressor station equipment	368.0	(9,948,125)	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
100	Measuring and regulating station equipment	369.0	(20,314,582)	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
101	Other equipment	371.0	(1,405,570)	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
102	Subtotal - Transmission plant		(145,072,311)						

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
103	<b>Distribution Plant</b>								
104	Land and land rights	374.0	(3,676,011)	INT_DISTPT_FERC_376-386	-	-	-	-	-
105	Structures and improvements	375.0	(22,881,517)	INT_DISTPT_FERC_376-386	-	-	-	-	-
106	Mains - Low Pressure	376.1	(390,697,447)	-	DISTRIBUTION	AVERAGE_STUDY	AVG_STUDY_DD_P&A_LP	-	CUSTOMERS_LP
107	Mains - Regulated Pressure	376.2	(345,794,022)	-	DISTRIBUTION	AVERAGE_STUDY	AVG_STUDY_DD_P&A	-	CUSTOMERS_DIST
108	Measuring and regulating station equipment—general	378.0	(42,254,289)	-	DISTRIBUTION	DEMAND	DESIGN_DAY_DIST	-	-
109	Services	380.0	(350,377,610)	-	DIST ON-SITE	CUSTOMER	-	-	SERVICES
110	Meters	381.0	(15,651,417)	-	DIST ON-SITE	CUSTOMER	-	-	METERS
111	Meter installations	382.0	(10,124,405)	-	DIST ON-SITE	CUSTOMER	-	-	METERS
112	Industrial measuring and regulating station equipment	385.0	(6,733,920)	-	DIST ON-SITE	CUSTOMER	-	-	INDUSTRIAL_M&R
113	Other property on customers' premises	386.0	(14,644,532)	-	DIST ON-SITE	CUSTOMER	-	-	METERS
114	Other equipment	387.0	(5,621,218)	INT_DISTPT_FERC_376-386	-	-	-	-	-
115	Subtotal - Distribution Plant		(1,208,456,388)						
116	<b>General Plant</b>								
117	Land and Land Rights	389.0	(40,422)	INT_PSTD_PLANT	-	-	-	-	-
118	Structures and Improvements	390.0	(15,264,067)	INT_PSTD_PLANT	-	-	-	-	-
119	Office Furniture and Equipment	391.0	(3,937,073)	INT_PSTD_PLANT	-	-	-	-	-
120	Transportation Equipment	392.0	(31,661,830)	INT_PSTD_PLANT	-	-	-	-	-
121	Stores Equipment	393.0	(53)	INT_PSTD_PLANT	-	-	-	-	-
122	Tools, Shop, and Garage Equipment	394.0	(4,916,875)	INT_PSTD_PLANT	-	-	-	-	-
123	Laboratory Equipment	395.0	0	INT_PSTD_PLANT	-	-	-	-	-
124	Power Operated Equipment	396.0	(9,115,311)	INT_PSTD_PLANT	-	-	-	-	-
125	Communication Equipment	397.0	(19,253,196)	INT_PSTD_PLANT	-	-	-	-	-
126	Misc. Equipment	398.0	(48,744)	INT_PSTD_PLANT	-	-	-	-	-
127	Other Intangible Property	399.0	0	INT_PSTD_PLANT	-	-	-	-	-
128	Subtotal - General Plant		(84,237,571)						
129	<b>Total Accumulated Depreciation &amp; Amortization</b>		(1,576,047,666)						
130	<b>Other Rate Base Items</b>								
131	Gas Storage Underground - NonCurrent	117.1	51,833		STORAGE	COMMODITY		WINTER_STORAGE	
132	Gas Stored Underground - Current	117.2	50,819,643		STORAGE	COMMODITY		WINTER_STORAGE	
133	Materials and Supplies	154.0	6,179,262	INT_PSTD_PLANT					
134	Prepayments	165.0	5,055,085	INT_PSTD_PLANT					
135	Cash Working Capital		47,681,867	INT_PSTD_PLANT					
136	Deferred Income Taxes	190.0	120,652,294	INT_PSTD_PLANT					
137	Customer Advances and Deposits	252, 235	(3,757,357)		DISTRIBUTION	CUSTOMER			DEPOSITS
138	<b>Total Other Rate Base Items</b>		226,682,628						
139	<b>TOTAL RATE BASE</b>		5,728,767,833						

Peoples Natural Gas Company LLC  
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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
140	<b>OPERATION AND MAINTENANCE EXPENSE</b>								
141	<b>Production, Storage, LNG, Transmission, and Distribution Expense</b>								
142	<b>Natural Gas Production Operating Expense</b>								
143	Field Lines Expenses	756.0	1,518,601		GATHERING	COMMODITY		GATHER_VOLUME	
144	Field Compressor Station Expense	754.0	2,798,519		GATHERING	COMMODITY		GATHER_VOLUME	
145	Field Compressor Station Fuel/Power	755.0	1,047,132		GATHERING	COMMODITY		GATHER_VOLUME	
146	Field Measuring and Regulating Station Expense	756.0	348,690		GATHERING	COMMODITY		GATHER_VOLUME	
147	Other Expenses	759.0	73,928		GATHERING	COMMODITY		GATHER_VOLUME	
148	Rents	760.0	19,099		GATHERING	COMMODITY		GATHER_VOLUME	
149	<b>Subtotal - Natural Gas Production Operating Expense</b>		5,805,969						
150	<b>Natural Gas Production Maintenance Expense</b>								
151	Structures and Improvements	762.0	45,512		GATHERING	COMMODITY		GATHER_VOLUME	
152	Producing Gas Wells	763.0	746		GATHERING	COMMODITY		GATHER_VOLUME	
153	Field Lines	764.0	4,394,872		GATHERING	COMMODITY		GATHER_VOLUME	
154	Field Compressor Station Equipment	765.0	1,953,788		GATHERING	COMMODITY		GATHER_VOLUME	
155	Field Measuring and Regulating Station Equipment	766.0	178,509		GATHERING	COMMODITY		GATHER_VOLUME	
156	Other Equipment	769.0	37,676		GATHERING	COMMODITY		GATHER_VOLUME	
157	<b>Subtotal - Natural Gas Production Maintenance Expense</b>		6,611,102						
158	<b>Gas Supply Expenses</b>								
159	Gas Cost Expense	800-809	505,919,390		GAS SUPPLY	COMMODITY		GAS_COST_REVENUE	
160	Gas Used for Compressor Station Fuel-Credit	810.0	(2,490,290)		GAS SUPPLY	COMMODITY		SALES_VOLUME	
161	Gas Used for Other Utility Operations-Credit	812.0	(782,842)		GAS SUPPLY	COMMODITY		SALES_VOLUME	
162	Other Gas Supply Expenses	813.0	1,459,975		GAS SUPPLY	COMMODITY		SALES_VOLUME	
163	<b>Subtotal - Gas Supply Expenses</b>		504,106,233						
164	<b>Underground Storage Expenses - Operation</b>								
165	Supervision and Engineering	814.0	28,019	INT_STORPT					
166	Lines Expenses	817.0	8,179	INT_STORPT					
167	Compressor Station Expenses	818.0	1,679,115	INT_STORPT					
168	Compressor Station Fuel/Power	819.0	336,049	INT_STORPT					
169	Meas/Reg Station Expenses	820.0	1,722	INT_STORPT					
170	Other Expenses	824.0	403	INT_STORPT					
171	Storage Well Royalties	825.0	24,814	INT_STORPT					
172	<b>Subtotal - Underground Storage Expenses - Operation</b>		2,078,303						
173	<b>Underground Storage Expenses - Maintenance</b>								
174	Structures and Improvements	831.0	951	INT_STORPT					
175	Reservoirs and Wells	832.0	747	INT_STORPT					
176	Lines	833.0	44,469	INT_STORPT					
177	Compressor Station Equipment	834.0	527,999	INT_STORPT					
178	Measuring and Regulating Station Equipment	835.0	1,178	INT_STORPT					
179	Other Equipment	837.0	208	INT_STORPT					
180	<b>Subtotal - Underground Storage Expenses - Maintenance</b>		575,553						

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
181	<b>Transmission Operation Expenses</b>								
182	Operation supervision and engineering	850.0	181,296		TRANSMISSION	DEMAND	DESIGN_DAY		
183	Compressor station labor and expenses	853.0	150,509		TRANSMISSION	DEMAND	DESIGN_DAY		
184	Gas for compressor station fuel	854.0	1,107,108		TRANSMISSION	DEMAND	DESIGN_DAY		
185	Mains expenses	856.0	2,011,328		TRANSMISSION	DEMAND	DESIGN_DAY		
186	Measuring and regulating station expenses	857.0	430,972		TRANSMISSION	DEMAND	DESIGN_DAY		
187	Other expenses	859.0	48,591		TRANSMISSION	DEMAND	DESIGN_DAY		
188	Rents	860.0	92,940		TRANSMISSION	DEMAND	DESIGN_DAY		
189	Subtotal - Transmission Operation Expenses		4,022,745						
190	<b>Transmission Maintenance Expenses</b>								
191	Maintenance of structures and improvements	862.0	36,347		TRANSMISSION	DEMAND	DESIGN_DAY		
192	Maintenance of mains	863.0	2,821,626		TRANSMISSION	DEMAND	DESIGN_DAY		
193	Maintenance of compressor station equipment	864.0	159,221		TRANSMISSION	DEMAND	DESIGN_DAY		
194	Maintenance of measuring and regulating station equipment	865.0	1,419,322		TRANSMISSION	DEMAND	DESIGN_DAY		
195	Maintenance of communication equipment	866.0	192,096		TRANSMISSION	DEMAND	DESIGN_DAY		
196	Maintenance of other equipment	867.0	13,282		TRANSMISSION	DEMAND	DESIGN_DAY		
197	Subtotal - Transmission Maintenance Expenses		4,641,894						
198	<b>Distribution Operation Expenses</b>								
199	Operation supervision and engineering	870.0	(3,834,762)	INT_DISTO&M					
200	Mains and services expenses	874.0	18,120,249	INT_DMANS_SERV					
201	Measuring and regulating station expenses—general	875.0	4,838,355		DISTRIBUTION	DEMAND	DESIGN_DAY_DIST		
202	Meter and house regulator expenses	878.0	9,326,932		DIST ON-SITE	CUSTOMER			METERS
203	Customer installations expenses	879.0	7,412,411		DIST ON-SITE	CUSTOMER			METERS
204	Other expenses	880.0	3,485,200	INT_DISTO&M					
205	Rents	881.0	569,442	INT_DISTO&M					
206	Subtotal - Distribution Operation Expenses		39,917,827						
207	<b>Distribution Maintenance Expenses</b>								
208	Maintenance of structures and improvements	886.0	6,816,089	INT_DISTPT_FERC_376-386	DISTRIBUTION				
209	Maintenance of mains	887.0	42,710,603	INT_MAINSPLT					
210	Maintenance of measuring and regulating station equipment—general	889.0	2,346,880		DISTRIBUTION	DEMAND	DESIGN_DAY_DIST		
211	Maintenance of services	892.0	1,985,679		DIST ON-SITE	CUSTOMER			SERVICES
212	Maintenance of meters and house regulators	893.0	340,582		DIST ON-SITE	CUSTOMER			METERS
213	Maintenance of other equipment	894.0	633,080	INT_DISTO&M					
214	Subtotal - Distribution Maintenance Expenses		54,832,913						
215	<b>Total Production, Storage, LNG, Transmission, and Distribution Expense</b>		622,592,539						

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
216	<b>Customer Accounts, Service, and Sales Expense</b>								
217	<b>Customer Account</b>								
218	Meter reading expenses	902.0	2,643,917		ACCTS & SERVICE	CUSTOMER			METER_READ
219	Customer records and collection expenses	903.0	23,839,487		ACCTS & SERVICE	CUSTOMER			CUST_RECORDS
220	Uncollectible accounts	904.0	27,224,753		ACCTS & SERVICE	CUSTOMER			UNCOLLECT
221	Subtotal - Customer Account		53,708,158						
222	<b>Customer Service &amp; Information Expenses</b>								
223	Supervision	907.0	361,817		ACCTS & SERVICE	CUSTOMER			ACCT_908
224	Customer assistance expenses	908.0	(4,962,532)		ACCTS & SERVICE	CUSTOMER			ACCT_908
225	Subtotal - Customer Service & Information Expenses		(4,600,715)						
226	<b>Sales Expenses</b>								
227	Supervision	911.0	468,559		ACCTS & SERVICE	CUSTOMER			ACCT_912
228	Demonstrating and selling expenses	912.0	1,083,796		ACCTS & SERVICE	CUSTOMER			ACCT_912
229	Subtotal - Sales Expenses		1,552,356						
230	<b>Total Customer Accounts, Service, and Sales Expense</b>		50,659,798						
231	<b>Administrative and General Expenses</b>								
232	Administrative and general salaries	920.0	14,604,376	INT_LABOR					
233	Office supplies and expenses	921.0	11,597,492	INT_LABOR					
234	Administrative expenses transferred—Credit	922.0	(60,144,727)	INT_LABOR					
235	Outside services employed	923.0	37,766,206	INT_LABOR					
236	Property insurance	924.0	1,455,896	INT_TOTPLT					
237	Injuries and damages	925.0	12,860,297	INT_50-50_PLANT-LABOR					
238	Employee pensions and benefits	926.0	23,014,551	INT_LABOR					
239	Regulatory commission expenses	928.0	992,500	INT_RATEBASE					
240	General advertising expenses	929.0	2,028,331	INT_LABOR					
241	Miscellaneous expenses	930.0	1,915,987	INT_LABOR					
242	Rents	931.0	5,765,128	INT_LABOR					
243	Maintenance of general plant	932.0	156,162	INT_LABOR					
244	<b>Total Administrative and General Expenses</b>		52,012,199						
245	<b>TOTAL OPERATION AND MAINTENANCE EXPENSE</b>		725,264,536						

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Line No.	Account Description	FERC Account	Account Balance	Internal Allocation Factor	Functional Allocation Factor	Classification Allocation Factor	Demand Allocation Factor	Commodity Allocation Factor	Customer Allocation Factor
246	<b>Adjustments, Depreciation and Amortization Expense</b>								
247	<b>Depreciation Expense</b>								
248	<b>Intangible Plant</b>								
249	Organization	301.0	0	INT_PSTD_PLANT	-	-	-	-	-
250	Franchises & Consents	302.0	0	INT_PSTD_PLANT	-	-	-	-	-
251	Misc. Intangible Plant - Plant Related	303.0	515,683	INT_PSTD_PLANT	-	-	-	-	-
252	Misc. Intangible Plant - Customer Related	303.0	1,843,668	-	ACCTS & SERVICE	CUSTOMER	-	-	CUSTOMERS
253	Misc. Intangible Plant - Labor Related	303.0	12,995,172	INT_LABOR	-	-	-	-	-
254	Subtotal - Intangible Plant		15,354,523						
255	<b>Production Plant</b>								
256	Other Land & Land Rights-Land	325.0	26,470	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
257	Field Compressor Station Structures	327.0	238,870	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
258	Field M&R Station Structures	328.0	2,328	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
259	Other Structures	329.0	23,418	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
260	Producing Gas Wells - Construction	330.0	0	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
261	Producing Gas Wells - Equipment	331.0	42	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
262	Field Lines	332.0	2,244,167	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
263	Field Compressor Station Equipment	333.0	1,656,831	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
264	Field M&R Station Equip-Company	334.0	85,340	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
265	Other Equipment-Other	337.0	2,179	-	GATHERING	COMMODITY	-	GATHER_VOLUME	-
266	Subtotal - Production Plant		4,279,645						
267	<b>Natural Gas Storage Plant and Processing Plant</b>								
268	Land & Land Rights	350.0	2,826	INT_STORPT_FERC_352-355	-	-	-	-	-
269	Structures & improvement	351.0	37,397	INT_STORPT_FERC_352-355	-	-	-	-	-
270	Wells	352.0	336,917	-	STORAGE	DEMAND	DESIGN_DAY	-	-
271	Lines	353.0	50,055	-	STORAGE	DEMAND	WINTER_STORAGE	-	-
272	Compressor Station Equipment	354.0	482,407	-	STORAGE	DEMAND	DESIGN_DAY	-	-
273	Measuring and Regulating Equipment	355.0	58,732	-	STORAGE	DEMAND	WINTER_STORAGE	-	-
274	Other Equipment	357.0	0	INT_STORPT_FERC_352-355	-	-	-	-	-
275	Subtotal - Natural Gas Storage Plant and Processing Plant		968,334						
276	<b>Transmission plant</b>								
277	Land and Land Rights	365.0	87,382	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
278	Structures and improvements	366.0	44,636	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
279	Mains	367.0	4,344,630	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
280	Compressor station equipment	368.0	572,947	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
281	Measuring and regulating station equipment	369.0	1,170,894	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
282	Other equipment	371.0	61,241	-	TRANSMISSION	DEMAND	DESIGN_DAY	-	-
283	Subtotal - Transmission plant		6,281,730						

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284	<b>Distribution Plant</b>								
285	Land and land rights	374.0	184,997	INT_DISTPT_FERC_376-386	-	-	-	-	-
286	Structures and improvements	375.0	1,251,439	INT_DISTPT_FERC_376-386	-	-	-	-	-
287	Mains - Low Pressure	376.1	44,796,238	-	DISTRIBUTION	AVERAGE_STUDY	AVG_STUDY_DD_P&A_LP	-	CUSTOMERS_LP
288	Mains - Regulated Pressure	376.2	38,300,721	-	DISTRIBUTION	AVERAGE_STUDY	AVG_STUDY_DD_P&A	-	CUSTOMERS_DIST
289	Measuring and regulating station equipment—general	378.0	4,670,074	-	DISTRIBUTION	DEMAND	DESIGN_DAY_DIST	-	-
290	Services	380.0	22,700,627	-	DIST ON-SITE	CUSTOMER	-	-	SERVICES
291	Meters	381.0	11,783,749	-	DIST ON-SITE	CUSTOMER	-	-	METERS
292	Meter installations	382.0	1,744,941	-	DIST ON-SITE	CUSTOMER	-	-	METERS
293	Industrial measuring and regulating station equipment	385.0	235,854	-	DIST ON-SITE	CUSTOMER	-	-	INDUSTRIAL_M&R
294	Other property on customers' premises	386.0	0	-	DIST ON-SITE	CUSTOMER	-	-	METERS
295	Other equipment	387.0	696,632	INT_DISTPT_FERC_376-386	-	-	-	-	-
296	Subtotal - Distribution Plant		126,365,272						
297	<b>General Plant</b>								
298	Land and Land Rights	389.0	491	INT_PSTD_PLANT	-	-	-	-	-
299	Structures and Improvements	390.0	2,951,921	INT_PSTD_PLANT	-	-	-	-	-
300	Office Furniture and Equipment	391.0	94,510	INT_PSTD_PLANT	-	-	-	-	-
301	Transportation Equipment	392.0	12,533,859	INT_PSTD_PLANT	-	-	-	-	-
302	Stores Equipment	393.0	53	INT_PSTD_PLANT	-	-	-	-	-
303	Tools, Shop, and Garage Equipment	394.0	373,421	INT_PSTD_PLANT	-	-	-	-	-
304	Laboratory Equipment	395.0	0	INT_PSTD_PLANT	-	-	-	-	-
305	Power Operated Equipment	396.0	1,266,292	INT_PSTD_PLANT	-	-	-	-	-
306	Communication Equipment	397.0	2,642,190	INT_PSTD_PLANT	-	-	-	-	-
307	Misc. Equipment	398.0	1,072	INT_PSTD_PLANT	-	-	-	-	-
308	Other Intangible Property	399.0	0	INT_PSTD_PLANT	-	-	-	-	-
309	Subtotal - General Plant		19,863,809						
310	<b>Total - Depreciation Expense</b>		173,113,313						
311	<b>Amortization Expense</b>								
312	Amortization of net salvage	920.0	8,068,283	INT_PSTD_PLANT					
313	Subtotal - Amortization Expense		8,068,283						
314	<b>Total Adjustments, Depreciation and Amortization Expense</b>		181,181,596						

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315	<b>Taxes</b>								
316	<b>Taxes Other Than Income Taxes</b>								
317	Payroll Taxes	408.00	5,951,013	INT_LABOR					
318	Plant Related Taxes	408.00	1,523,452	INT_PSTD_PLANT					
319	PUC Assessment	408.00	3,858,847	INT_REV_REQ_exludeTAX					
320	Sales and Use	408.00	2,425,743	INT_REV_REQ_exludeTAX					
321	Other General Taxes	408.00	0						
322	Subtotal - Taxes Other Than Income Taxes		13,759,055						
323	<b>Income Taxes</b>								
324	Income Taxes - federal taxes utility operating income	409.1	(80,556,297)	INT_RATEBASE					
325	Income Taxes - other taxes utility operating income	409.1	0	INT_RATEBASE					
326	Subtotal - Income Taxes		(80,556,297)						
327	<b>Total Taxes</b>		(66,797,242)						
328	<b>REVENUE REQUIREMENT AT EQUAL RATES OF RETURN</b>								
329	<b>Test Year Expenses at Current Rates</b>		839,648,890						
330	<b>Return on Rate Base</b>		471,404,690	INT_RATEBASE					
331	<b>Gross Up Items</b>								
332	Gross-up Federal Income Tax		33,610,504	INT_RATEBASE					
333	Gross-up Bad Debts		3,121,918		ACCTS & SERVICE	CUSTOMER			UNCOLLECT
334	<b>TOTAL REVENUE REQUIREMENT AT EQUAL RATES OF RETURN</b>		<b>1,347,786,003</b>						

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Schedule 5 - External Allocation Factors

Line	Allocation Factor	Description	Total	Residential	Small General	Medium General	Large General	Mainline Service
1	<b>DEMAND EXTERNAL ALLOCATORS</b>							
2	DESIGN_DAY	Peak Day (Design Day)	100.0%	56.8%	11.0%	15.9%	9.2%	7.1%
3			1,392	791.2	153.7	220.9	128.0	98.2
4	DESIGN_DAY_DIST	Peak Day (Design Day) Regulated Pressure Distribution Mains	100.0%	61.2%	11.9%	17.1%	9.9%	0.0%
5		Design day excluding LGS Mainline	1,294	791.2	153.7	220.9	128.0	
6	DESIGN_DAY_LP	Peak Day (Design Day) Low Pressure Mains	100.0%	67.9%	13.2%	18.9%	0.0%	0.0%
7		Design day excluding LGS and LGS Mainline	1,166	791.2	153.7	220.9		
8	WINTER_STORAGE	Winter 6 months allocation factor (Dec.-May)	100.0%	46.1%	9.5%	13.6%	16.1%	14.8%
9		Weighted monthly storage withdrawals	1.00	0.461	0.095	0.136	0.161	0.148
10	PEAK_AVERAGE	50% Design Day, 50% Total Volume	100.0%	56.3%	10.6%	15.9%	17.2%	0.0%
11		Distribution Mains	2.00	1.13	0.21	0.32	0.34	-
12	PEAK_AVERAGE_LP	50% Peak Day Low Pressure, 50% Volume Low Pressure	100.0%	68.0%	12.8%	19.2%	0.0%	0.0%
13		Low Pressure Distribution Mains	2.00	1.36	0.26	0.38	-	-
14	AVG_STUDY_DD_P&A	Average Study Demand Allocation Factor	100%	58.0%	11.1%	16.3%	14.7%	0.0%
15	AVG_STUDY_DD_P&A_LP	Average Study Demand Allocation Factor - Low Pressure	100%	68.0%	12.9%	19.1%	0.0%	0.0%
16	<b>COMMODITY EXTERNAL ALLOCATORS</b>							
17	TOTAL_VOLUME	Total Sales and Transportation Volumes	100.0%	42.2%	7.7%	12.0%	20.0%	18.1%
			132,812,818	56,027,619	10,195,720	15,942,758	26,598,052	24,048,669
18	SALES_VOLUME	Sales Volumes	100.0%	82.1%	11.5%	5.9%	0.5%	0.0%
			61,362,712	50,376,633	7,057,823	3,595,670	332,586	-
19	TRANSPORT_VOLUME	Transportation Volumes	100.0%	7.9%	4.4%	17.3%	36.8%	33.7%
			71,450,106	5,650,985	3,137,897	12,347,088	26,265,467	24,048,669
20	GATHER_VOLUME	Gathering Volumes	100.0%	14.0%	5.0%	16.6%	33.6%	30.8%
			34,622,085	4,848,916	1,735,697	5,742,665	11,647,331	10,647,476
21	DIST_VOLUME	Volume of Classes served from regulated pressure system	100.0%	51.5%	9.4%	14.7%	24.5%	0.0%
22		Total volumes excluding LGS Mainline	108,764,150	56,027,619	10,195,720	15,942,758	26,598,052	
23	LP_VOLUME	Volume of Classes served from low pressure system	100.0%	68.2%	12.4%	19.4%	0.0%	0.0%
24		Total volumes excluding LGS	82,166,097	56,027,619	10,195,720	15,942,758		

Peoples Natural Gas Company LLC  
Gas Class Cost of Service Study  
12 Months Ending December 31, 2027  
Schedule 5 - External Allocation Factors

Line	Allocation Factor	Description	Total	Residential	Small General	Medium General	Large General	Mainline Service
25	<b>CUSTOMER EXTERNAL ALLOCATORS</b>							
26	CUSTOMERS	Average Customers	100%	92.4%	6.9%	0.7%	0.0%	0.0%
27		Test year average number of customers	706,436	652,448	48,789	4,961	231	8
28	CUSTOMERS_SMALL	Small Customer Average	100%	93.0%	7.0%	0.0%	0.0%	0.0%
29		Test year average number of customers	701,237	652,448	48,789			
30	CUSTOMERS_DIST	Customer classes served from distribution system	100%	92.4%	6.9%	0.7%	0.0%	0.0%
			706,428	652,448	48,789	4,961	231	
31	CUSTOMERS_LP	Customer classes served from low pressure system	100%	92.4%	6.9%	0.7%	0.0%	0.0%
			706,197	652,448	48,789	4,961		
32	SERVICES	FERC Account 380 - Services	100%	92.3%	6.9%	0.7%	0.0%	0.0%
33		Service line replacement cost	1,638,295,541	1,512,391,768	113,094,327	12,205,488	580,359	23,598
34	METERS	FERC Account 381 - Meters	100%	74.1%	19.2%	6.2%	0.5%	0.0%
			200,591,771	148,569,699	38,508,157	12,419,151	1,087,576	7,189
35	INDUSTRIAL_M&R	FERC Account 385 - Industrial measuring and regulating stations	100%	0.0%	7.3%	50.3%	39.7%	2.7%
			1,060,184	-	77,321	532,980	421,129	28,754
36	METER_READ	FERC Account 902 - Meter reading expense	100%	90.5%	7.1%	1.4%	0.9%	0.0%
			2,519,100	2,280,492	179,765	34,527	23,501	814
37	CUST_RECORDS	FERC Account 903 - Customer records and collections expense	100%	92.0%	7.3%	0.6%	0.1%	0.0%
			21,061,047	19,380,738	1,537,728	131,585	10,637	360
38	UNCOLLECT	FERC Account 904 - Uncollectible Accounts	100%	91.1%	4.1%	3.5%	1.3%	0.0%
39		Three year average net write-offs	11,228,855	10,231,386	456,718	397,970	142,781	-
40	ACCT_908	FERC Account 908 - Customer assistance expense	100%	99.0%	0.9%	0.1%	0.0%	0.0%
			13,298,704	13,171,304	115,131	11,706	545	19
41	ACCT_912	FERC Account 912 - Demonstration and selling expenses	100%	13.7%	78.4%	7.7%	0.2%	0.0%
			1,068,884	146,333	838,215	82,379	1,957	-
42	LATE_FEES	HTY Forfeited Discounts	100%	88.8%	6.2%	3.5%	1.5%	0.0%
			5,824,855	5,172,377	361,654	204,780	86,044	-
43	DEPOSITS		100%	31.7%	32.8%	32.9%	2.6%	0.0%
			(1,827,481)	(579,151)	(598,550)	(601,641)	(48,140)	-

Peoples Natural Gas Company LLC  
Gas Class Cost of Service Study  
12 Months Ending December 31, 2027  
Schedule 5 - External Allocation Factors

Line	Allocation Factor	Description	Total	Residential	Small General	Medium General	Large General	Mainline Service
44	<b>REVENUE EXTERNAL ALLOCATORS</b>							
45	BASE_REVENUE	Total Sales and Transportation	100.0%	70.0%	8.9%	10.6%	9.4%	1.2%
			616,555,782	431,488,517	54,788,815	65,431,384	57,668,118	7,178,949
46	GAS_COST_REVENUE	Gas Cost Revenue	100.0%	79.0%	11.3%	7.5%	1.4%	0.8%
			505,919,390	399,536,779	57,104,184	38,013,446	7,080,512	4,184,468
47	NON_GAS_REVENUE	Base rate plus Rider Revenue	100.0%	70.4%	8.7%	10.4%	9.4%	1.0%
			663,905,712	467,519,402	58,054,176	68,784,006	62,614,198	6,933,930
48	RIDER_REVENUE	Rider Revenue	100.0%	76.1%	6.9%	7.1%	10.4%	-0.5%
49		Includes DSIC, Supplier Choice, TRS, STAS, MFC	47,349,930	36,030,885	3,265,361	3,352,622	4,946,081	(245,019)
50	MISC_REVENUE	Miscellaneous and Other Revenues	100%	88.5%	10.4%	1.1%	0.0%	0.0%
			946,767	837,624	98,632	10,028	467	16
51	<b>MAINS CLASSIFICATION</b>							
52		CUSTOMER AND DEMAND COMPONENTS OF MAINS						
53		Customer Component	48.14%					
54	MIN_SYSTEM	Demand Component	51.86%					
55		Design Day and Commodity Allocation of Mains (50-50)						
56		Commodity Allocated	50.00%					
57	DEMAND-COMMODITY	Demand Allocated	50.00%					
58		Customer, Design Day, and Commodity Allocation of Mains under Average Study Method						
59		Customer Component (Customer Allocated)	24.07%					
60		Demand Component - Commodity Allocated	25.00%					
61		Demand Allocated - Demand Allocated	50.93%					
62	AVERAGE_STUDY	Total Demand Component	75.93%					

Peoples Natural Gas Company LLC  
Gas Class Cost of Service Study: Average of Customer-Demand and Demand-Commodity Allocation of Distribution Mains  
12 Months Ending December 31, 2027  
Schedule 6 - Internal Allocations

Line							
No.	Category Description	Total System	Residential	Small General	Medium General	Large General	Mainline Service
1	<b>Allocation Basis</b>						
2	INT_INTGPLT	117,163,837	88,981,015	12,083,380	9,299,898	4,860,151	1,939,393
3	INT_PRODPT	188,680,448	26,425,202	9,459,052	31,295,880	63,474,618	58,025,695
4	INT_STORPT	37,485,809	20,511,139	4,023,150	5,778,623	3,956,472	3,216,424
5	INT_TRANSPT	432,658,902	245,915,713	47,773,199	68,662,818	39,782,953	30,524,219
6	INT_DISTPT	6,044,444,002	4,485,058,802	635,720,181	670,634,344	252,636,218	394,457
7	INT_GENPLT	257,699,874	183,681,573	26,794,466	29,846,762	13,834,051	3,543,021
8	INT_PSTD_PLANT	6,703,269,161	4,777,910,857	696,975,582	776,371,666	359,850,261	92,160,795
9	INT_TOTPLT	7,078,132,872	5,050,573,446	735,853,429	815,518,327	378,544,462	97,643,209
10	INT_RATEBASE	5,728,767,833	4,075,749,520	601,933,351	672,002,216	305,362,042	73,720,705
11	INT_DMAINS_SERV	5,486,161,588	4,106,530,181	549,977,790	605,820,945	223,816,518	16,154
12	INT_MAINSPLT	4,364,682,629	3,071,237,401	472,560,191	597,465,799	223,419,239	-
13	INT_LABOR	84,510,253	59,264,553	9,945,236	8,501,738	4,727,080	2,071,645
14	INT_50-50_PLANT-LABOR	2.00000	1.41482	0.22164	0.21582	0.10942	0.03831
15	INT_REV_REQ	1,347,786,003	1,000,138,402	146,336,484	130,673,890	52,346,079	18,291,147
16	INT_REV_REQ_exludeTAX	1,377,850,822	1,020,778,462	149,601,119	134,680,713	54,147,120	18,643,408
17	INT_STORPT_FERC_352-355	34,819,550	19,052,240	3,736,995	5,367,606	3,675,059	2,987,649
18	INT_DISTPT_FERC_376-386	5,979,904,587	4,437,169,688	628,932,293	663,473,661	249,938,700	390,245
19	INT_DISTO&M	93,897,781	67,552,088	11,427,192	10,902,822	4,014,540	1,139
20	<b>Allocation Percentage</b>						
21	INT_INTGPLT	100.0%	75.9%	10.3%	7.9%	4.1%	1.7%
22	INT_PRODPT	100.0%	14.0%	5.0%	16.6%	33.6%	30.8%
23	INT_STORPT	100.0%	54.7%	10.7%	15.4%	10.6%	8.6%
24	INT_TRANSPT	100.0%	56.8%	11.0%	15.9%	9.2%	7.1%
25	INT_DISTPT	100.0%	74.2%	10.5%	11.1%	4.2%	0.0%
26	INT_GENPLT	100.0%	71.3%	10.4%	11.6%	5.4%	1.4%
27	INT_PSTD_PLANT	100.0%	71.3%	10.4%	11.6%	5.4%	1.4%
28	INT_TOTPLT	100.0%	71.4%	10.4%	11.5%	5.3%	1.4%
29	INT_RATEBASE	100.0%	71.1%	10.5%	11.7%	5.3%	1.3%
30	INT_DMAINS_SERV	100.0%	74.9%	10.0%	11.0%	4.1%	0.0%
31	INT_MAINSPLT	100.0%	70.4%	10.8%	13.7%	5.1%	0.0%
32	INT_LABOR	100.0%	70.1%	11.8%	10.1%	5.6%	2.5%
33	INT_50-50_PLANT-LABOR	100.0%	70.7%	11.1%	10.8%	5.5%	1.9%
34	INT_REV_REQ	100.0%	74.2%	10.9%	9.7%	3.9%	1.4%
35	INT_REV_REQ_exludeTAX	100.0%	74.1%	10.9%	9.8%	3.9%	1.4%
36	INT_STORPT_FERC_352-355	100.0%	54.7%	10.7%	15.4%	10.6%	8.6%
37	INT_DISTPT_FERC_376-386	100.0%	74.2%	10.5%	11.1%	4.2%	0.0%
38	INT_DISTO&M	100.0%	71.9%	12.2%	11.6%	4.3%	0.0%

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

2. Provide a statement of testimony describing the complete methodology of the cost of service study.

\*\*\*\*\*

Refer to Peoples Statement No. 17 – the Direct Testimony of John Taylor.

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

3. Provide a complete description and back-up calculations for all allocation factors.

\*\*\*\*\*

Refer to Exhibit No. 11, Schedule No. 1 (53.53.IV.B.1), Schedules 5 and 6 for the external and internal allocation factors.

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

9. Supply a cost analysis supporting minimum charges for all rate schedules.

\*\*\*\*\*

Refer to Refer to Exhibit No. 11, Schedule No. 1 (53.53.IV.B.1), pages 16-18.

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

10. Supply a cost analysis supporting demand charges for all tariffs which contain demand charges.

\*\*\*\*\*

Peoples' tariff does not contain demand charges.

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

- 5. Submit a Bill Frequency Analysis for each rate. The analysis should include the rate schedule and block interval, the number of bills at each interval, the cumulative number of bills at each interval, the Mcf or therms at each interval, the cumulative Mcf or therms at each interval, the accumulation of Mcf or therms passing through each interval, and the revenue at each interval for both the present rate and the proposed rates. The Analysis should show only those revenues collected from the basic tariff.

\*\*\*\*\*

Refer to Exhibit No. 3, Schedule 15 (53.53.III.E.14), Attachment D for the analysis at current rates and Exhibit No. 3, Schedule 15 (53.53.III.E.14), Attachment E for the analysis at proposed rates.

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

7. Supply a graph of present and proposed base rates on hyperbolic cross section paper.

\*\*\*\*\*

Refer to Exhibit JDT-5, pages 18-34 as part of Peoples Statement No. 17 – the Direct Testimony of John Taylor.

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

12. Supply a tabulation of base rate bills for each rate schedule comparing the existing rates to proposed rates. The tabulation should show the dollar difference and the per cent increase or decrease.

\*\*\*\*\*

Refer to Exhibit JDT-5, pages 1-17 as part of Peoples Statement No. 17 – the Direct Testimony of John Taylor.

**Peoples Natural Gas Company LLC**

§ 53.53.III.A

- 47. Submit a schedule showing rate of return on facilities allocated to serve wholesale customers.

\*\*\*\*\*

Peoples serves few wholesale (NGDC) customers under its Rate SGS and MGS rate schedules. Since these customers represent a very small portion of the Peoples service, they have been included in the respective rate classes as commercial customers for cost allocation purposes. Refer to Exhibit No. 11, Schedule No. 1 (53.53.IV.B.1) for the calculated rate of return for these classes.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

- 5. Submit a schedule showing the sources of gas supply associated with annualized MCF sales.

\*\*\*\*\*

The following schedule shows the sources of supply expected to be used to meet Peoples’ sales requirements during the twelve-month period ending December 31, 2026. Peoples’ expects a similar supply for the twelve-month period ending December 31, 2027:

Source (in MMcf)	TME 12/31/26
Local Pennsylvania Purchases	3,273
Interstate Purchases	62,788
Storage – On and Off-System	
Withdrawals	25,292
Injections	(25,139)
(Net) Storage	153
<b>TOTAL</b>	<b>66,214</b>

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

18. If the utility has a Fuel Adjustment Clause:
- a. State the base fuel cost per MCF chargeable against basic customers' rates during the test year. If there was any change in this basic fuel charge during the test year, give details and explanation thereof.
  - b. State the amount in which the fuel adjustment clause cost per MCF exceeds the fuel cost per MCF charged in base rates at the end of the test year.
  - c. If fuel cost deferment is used at the end of the test year, give
    - i. The amount of deferred fuel cost contained in the operating statement that was deferred from the 12-month operating period immediately preceding the test year.
    - ii. The amount of deferred fuel cost that was removed from the test period and deferred to the period immediately following the test year.
  - d. State the amount of Fuel Adjustment Clause revenues credited to the test year operating account.
  - e. State the amount of fuel cost charged to the operating expense account in the test year which is the basis of Fuel Adjustment Clause billings to customers in that year. Provide summary details of this charge.
  - f. From the recorded test year operating account, remove the Fuel Adjustment Clause Revenues. Also remove from the test year recorded operating account the excess of fuel cost over base rate fuel charges, which is the basis for the Fuel Adjustment charges. Explain any difference between FAC Revenues and excess fuel costs. [The above is intended to limit the operating account to existing customers' base rate revenues and expense deductions relative thereto].

\*\*\*\*\*

Peoples does not have a Fuel Adjustment Clause.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

23. Submit a schedule showing fuel cost in excess of base compared to fuel cost recovery for the period two months prior to test year and the test year.

\*\*\*\*\*

Peoples does not have fuel costs in excess of base.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

24. Supply a detailed analysis of Purchased Gas for the test year and the twelve month period prior to the test year.

\*\*\*\*\*

Refer to Attachments 1 and 2 below.

**Peoples Natural Gas Company, LLC / Peoples Gas Company, LLC**  
**Attachment 1: 53.53 III.E.24**  
**Purchase Gas Analysis**  
**Twelve Months Ended November 30, 2024**

Line No.	Acct No.	Description	Volumes (Mcf)	Costs (\$)
	801	<b>Natural Gas Field Line Purchases</b>		
1		Natural Gas Field Line Purchases	4,679,782	\$ 7,826,410
	803	<b>Natural Gas Transmission Line Purchases</b>		
2		Interstate Gas Costs - Commodity Purchases and Capacity	50,838,330	\$ 93,227,116
3		Storage - Demand	-	\$ 37,473,638
4		Storage - Usage	-	\$ 618,822
5		Interstate Gas Costs - Non Deferrable Off-System Sales	1,891,603	\$ 3,672,891
6	804	<b>Natural Gas City Gate Purchase - Buybacks</b>	2,749,857	\$ 5,025,817
7	805	<b>Other Gas Purchases</b>	-	\$ -
	806	<b>Exchange Gas (Net)</b>		
8		Exchange Gas Misc	44,897	\$ 88,413
9		Exchange Gas Transporter Imbalance	169,206	\$ 301,229
	808	<b>Storage Activity</b>		
10		Gas Withdrawn from Storage	22,499,857	\$ 62,111,716
11		Gas Delivered to Storage	(25,336,368)	\$ (42,346,770)
12	858	<b>Transmission/Compression Gas by Others</b>	-	\$ 103,911,019
13		<b>Total Gas Purchased Expense</b>	<b>57,537,164</b>	<b>\$ 271,910,303</b>

**Peoples Natural Gas Company, LLC / Peoples Gas Company, LLC**  
**Attachment 2: 53.53 III.E.24**  
**Purchase Gas Analysis**  
**Twelve Months Ended November 30, 2025**

Line No.	Acct No.	Description	Volumes (Mcf)	Costs (\$)
	801	<b>Natural Gas Field Line Purchases</b>		
1		Natural Gas Field Line Purchases	3,376,481	\$ 8,981,977
	803	<b>Natural Gas Transmission Line Purchases</b>		
2		Interstate Gas Costs - Commodity Purchases and Capacity	62,590,052	\$ 195,938,387
3		Storage - Demand	-	\$ 39,090,245
4		Storage - Usage	-	\$ 675,717
5		Interstate Gas Costs - Non Deferrable Off-System Sales	1,434,907	\$ 5,107,767
6	804	<b>Natural Gas City Gate Purchase - Buybacks</b>	2,812,955	\$ 7,862,492
7	805	<b>Other Gas Purchases</b>	-	\$ -
	806	<b>Exchange Gas (Net)</b>		
8		Exchange Gas Misc	37,407	\$ 81,263
9		Exchange Gas Transporter Imbalance	(140,762)	\$ (207,746)
	808	<b>Storage Activity</b>		
10		Gas Withdrawn from Storage	24,405,726	\$ 47,659,362
11		Gas Delivered to Storage	(27,238,810)	\$ (69,176,191)
12	858	<b>Transmission/Compression Gas by Others</b>	-	\$ 107,285,481
13		<b>Total Gas Purchased Expense</b>	<b>67,277,956</b>	<b>\$ 343,298,754</b>

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

26. Submit detailed calculations for bulk gas transmission service costs under supply and/or interconnection agreements.

\*\*\*\*\*

Peoples has no bulk gas transmission agreements.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

30. Provide a schedule showing suppliers, MCF purchased, cost (small purchases from independent suppliers may be grouped); emergency purchases, listing same information; curtailments during the year; gas put into and taken out of storage; line loss, and any other gas input or output not in the ordinary course of business.

\*\*\*\*\*

Refer to Ex. 12, Sch. 4 (53.53.III.E.24) and Ex. 12, Sch. 16 (53.53 IV.B.14).

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

36. State the amount of gas, in Mcf, obtained through various suppliers in past years.

\*\*\*\*\*

Refer to Ex. 12, Sch. 4 (53.53.III.E.24) and Ex. 12, Sch. 16 (53.53 IV.B.14).

**Peoples Natural Gas Company LLC**

§ 53.53.III.E

- 25. Submit calculations supporting energy cost per MCF and operating ratio used to determine increase in costs other than production to serve additional load.

\*\*\*\*\*

Refer to Exhibit No. 2, Schedule No. 4 (53.53.III.A.17) and Exhibit No. 12, Schedule No. 9 (53.53.III.E.31).

**Peoples Natural Gas Company LLC**

§ 53.53.III.E

31. Provide a schedule showing the determination of the fuel costs included in the base cost of fuel.

\*\*\*\*\*

Purchased gas cost rates effective February 12, 2026.

Refer to page 2 of this response for the calculations supporting the February 12, 2026 purchased gas cost rates.

Peoples Natural Gas Company LLC  
 INTERIM 1307(f) Rate Calculation  
 Effective: FEBRUARY 12, 2026

Interim 1307(f)  
 February 12, 2026  
 Page 1/10

Line <u>No.</u>		Costs and <u>Volumes</u>	\$/Mcf <u>Rates</u>
1	DC = Projected Annual Capacity Costs (Including AVC Capacity)	\$143,276,708	
2	MINUS: Projected Balancing Revenue Credits	<u>\$17,451,960</u>	
3	Projected Annual "Current" Period Capacity Costs (line 1 - line 2)	\$125,824,748	
4	S + SBAC = Projected Annual Sales and Standby Volumes - October 2025 through September 2026 (Mcf)	<u>69,373,007</u>	
5	Projected "Current" Period Capacity Costs per Mcf (line 3 / line 4)		\$1.8137
6	Capacity Over/(Under) "E-Factor" Collection	(\$3,496,759)	
7	S + SBAC = Projected Annual Sales and Standby Volumes - October 2025 through September 2026 (Mcf)	<u>69,373,007</u>	
8	Capacity "E-Factor" Cost per Mcf (line 6 / line 7)		<u>(\$0.0504)</u>
9	Projected Total Capacity Cost of Gas per Mcf (line 5 - line 8)		<u>\$1.8641</u>
10	CC = Projected Commodity Costs	\$122,203,002	
11	S = Projected Sales Volumes February 2026 through September 2026 (Mcf)	<u>28,866,754</u>	
12	Projected Commodity Cost of Gas per Mcf (line 10 / line 11)		\$4.2333
13	MINUS: Current Commodity Over/(Under) Collection	(\$76,241,746)	
14	S = Projected Annual Sales Volumes (Mcf)	<u>59,685,608</u>	
15	Current Commodity Over/(Under) Collection Commodity Cost of Gas per Mcf (line 13 / line 14)		<u>(\$1.2774)</u>
16	Projected Commodity Cost of Gas per Mcf (line 12 - line 15)		<u>\$5.5107</u>
17	Total Projected Cost of Gas per Mcf (line 9 + line 16)		<u>\$7.3748</u>
18	Total Prior Period Over/(Under) Collection Balance	<u>(\$20,715,799)</u>	
19	S = Projected Annual Sales Volumes (Mcf)	<u>59,685,608</u>	
20	MINUS: E = Prior Period Over/(Under) Collection Rate per Mcf (line 18 / line 19)		<u>(\$0.3471)</u>
21	Overall Gas Cost Rate per Mcf (line 17 - line 20 - line 21)		<u>\$7.7219</u>

**Peoples Natural Gas Company LLC**  
§ 53.53 IV.B.

11. Supply the net fuel clause adjustment by month for the test year.

\*\*\*\*\*

Peoples does not have a fuel adjustment clause.

**Peoples Natural Gas Company LLC**  
§ 53.53 I.C

- 1. Provide, with respect to the scope of operations of the utility, a description of all property, including an explanation of the system’s operation, and all plans for any significant future expansion, modification, or other alteration of facilities.

This description should include, but not be limited to the following:

- a. If respondent has various gas service areas, indicate if they are integrated, such that the gas supply is available to all customers.
- b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company’s service area.
- c. Explain how respondent obtains its gas supply, as follows:
  - i. Explain how respondent stores or manufactures gas; if applicable.
  - ii. State whether the company has peak shaving facilities.
  - iii. Provide details of coal-gasification programs, if any.
  - iv. Describe the potential for emergency purchases of gas.
  - v. Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).
  - vi. Provide the amount of gas in MCF supplied from company-owned wells during the test year.
- d. Provide plans for future gas supply, as follows:
  - i. Supply details of anticipated gas supply from respondent’s near-term development of gas wells, if any.
  - ii. Provide gas supply agreements and well development ventures and identify the parties thereto.
- e. Indicate any anticipated curtailments and explain the reasons for the curtailments.
- f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility.

\*\*\*\*\*

- a. If respondent has various gas service areas, indicate if they are integrated, such that the gas supply is available to all customers.**

The vast majority of Peoples' facilities are integrated. There are several isolated service territories. Grove City (the largest), Greene County, and Claysburg require special gas supply arrangements but are all served using common contracted transportation capacity and storage.

- b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company's service area.**

Refer to Exhibit No. 10, Schedule No. 5 (53.53.III.E.39)

- c. Explain how respondent obtains its gas supply, as follows:**

- i. Explain how respondent stores or manufactures gas; if applicable.**

Peoples does not manufacture gas. Peoples stores gas in five on-system storage pools in western Pennsylvania and through contracted storage services provided by Columbia Transmission, Eastern Gas Transmission & Storage, Equitrans and National Fuel Gas Supply. Generally, gas is purchased, delivered and injected into these underground storage reservoirs during the summer and withdrawn during the following winter to meet weather affected increases in customer demand.

- ii. State whether the company has peak shaving facilities.**

Peoples' storage facilities are generally operated in a manner which provides for gas to be withdrawn throughout the winter season. On days when demand levels are increased due to cold weather, the capability to withdraw gas for serving those increased demands is also increased. By this coincident occurrence, all on-system storage pools in the system provide a "peaking service".

- iii. Provide details of coal-gasification programs, if any.**

Peoples has no coal-gasification programs.

- iv. Describe the potential for emergency purchases of gas. Peoples**

does not anticipate any emergency purchases.

- v. Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).**

Refer to the responses to Exhibit No. 12, Schedule No. 4 (53.53.III.E.24) and Exhibit No. 12, Schedule No. 16 (53.53.IV.B.14) for the quantities of gas, in Mcf, supplied by various suppliers.

Attachment A is a sample of a standard Base Contract for interstate gas purchases. The Base Contract provides the general terms and conditions for the purchase and sale of natural gas. The parties agree to abide by the terms of the Base Contract to enter into a transaction. Transaction confirmations, when executed, are similar in format to the confirmation in Exhibit A in the attachment. Generally, confirmations for one month or less are not memorialized. However, details of transactions are recorded telephonically or electronically in the event there is a need for dispute resolution. There are numerous transactions, samples of which can be made available upon request.

Attachment B is a sample of Peoples' Base Gas Purchase Contract (GPC) for local Pennsylvania purchases. Due to the large number of local gas purchase contracts, they have been excluded from this response. Copies of these contracts can be made available upon request.

- vi. **Provide the amount of gas in MCF supplied from company-owned wells during the test year.**

Peoples has no company-owned wells.

**d. Provide plans for future gas supply, as follows:**

- i. **Supply details of anticipated gas supply from respondent's near-term development of gas wells, if any.**

Peoples has no plans to develop company-owned wells.

- ii. **Provide gas supply agreements and well development ventures and identify the parties thereto.**

Peoples has no well development ventures.

**e. Indicate any anticipated curtailments and explain the reasons for the curtailments.**

Peoples does not anticipate any curtailments.

- f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility.**

There are none.

## Base Contract for Sale and Purchase of Natural Gas

This Base Contract is entered into as of the following date: \_\_\_\_\_

The parties to this Base Contract are the following:

PARTY A PEOPLES NATURAL GAS COMPANY LLC	PARTY NAME	PARTY B
375 North Shore Drive, Suite 300 Pittsburgh PA 15212	ADDRESS	
<a href="http://www.peoples-gas.com">www.peoples-gas.com</a>	BUSINESS WEBSITE	
	CONTRACT NUMBER	
00-791-6208	D-U-N-S® NUMBER	
<input checked="" type="checkbox"/> US FEDERAL: <u>26-3349481</u> <input type="checkbox"/> OTHER:	TAX ID NUMBERS	<input type="checkbox"/> US FEDERAL: <input type="checkbox"/> OTHER:
Pennsylvania	JURISDICTION OF ORGANIZATION	
<input type="checkbox"/> Corporation <input checked="" type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____	COMPANY TYPE	<input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Limited Partnership <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Other: _____
	GUARANTOR (IF APPLICABLE)	
<b>CONTACT INFORMATION</b>		
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Gas Procurement</u> TEL#: <u>412-208-6591</u> FAX#: _____ TEL#: <u>412-208-6570</u> FAX#: _____ EMAIL: <u>joseph.e.schurer@peoples-gas.com</u> EMAIL: <u>donald.a.melzer@peoples-gas.com</u>	▪ COMMERCIAL	_____ ATTN: _____ TEL#: _____            FAX#: _____ TEL#: _____            FAX#: _____
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Gas Procurement</u> TEL#: <u>412-208-6591</u> FAX#: _____ EMAIL: <u>joseph.e.schurer@peoples-gas.com</u>	▪ SCHEDULING	_____ ATTN: _____ TEL#: _____            FAX#: _____ TEL#: _____            FAX#: _____
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Manager, Gas Supply</u> TEL#: <u>412-208-6525</u> FAX#: _____ EMAIL: <u>steven.p.kolich@peoples-gas.com</u>	▪ CONTRACT AND LEGAL NOTICES	_____ ATTN: _____ TEL#: _____            FAX#: _____ EMAIL: _____
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Gas Procurement</u> TEL#: <u>412-208-6591</u> FAX#: _____ EMAIL: <u>joseph.e.schurer@peoples-gas.com</u>	▪ CREDIT	_____ ATTN: _____ TEL#: _____            FAX#: _____ EMAIL: _____
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Gas Scheduling</u> TEL#: <u>412-208-6591</u> FAX#: _____ E-Fax: _____    E-fax #: _____ EMAIL: <u>joseph.e.schurer@peoples-gas.com</u>	▪ TRANSACTION CONFIRMATIONS	_____ ATTN: _____ TEL#: _____            FAX#: _____ EMAIL: _____
<b>ACCOUNTING INFORMATION</b>		
<u>375 North Shore Drive, Suite 300, Pittsburgh PA 15212</u> ATTN: <u>Mark Stewart</u> TEL#: <u>412-208-6633</u> FAX#: <u>412-208-6815</u> EMAIL: <u>mark.j.stewart@peoples-gas.com</u>	▪ INVOICES ▪ PAYMENTS ▪ SETTLEMENTS	_____ ATTN: _____ TEL#: _____            FAX#: _____ EMAIL: _____
BANK: <u>JP Morgan Chase</u> ABA: <u>021000021</u> ACCT: <u>849096359</u> OTHER DETAILS: _____	WIRE TRANSFER NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____            ACCT: _____ OTHER DETAILS: _____
BANK: <u>JP Morgan Chase</u> ABA: <u>021000021</u> ACCT: <u>849096359</u> OTHER DETAILS: _____	ACH NUMBERS (IF APPLICABLE)	BANK: _____ ABA: _____            ACCT: _____ OTHER DETAILS: _____
ATTN: _____ ADDRESS: _____	CHECKS (IF APPLICABLE)	ATTN: _____ ADDRESS: _____

## Base Contract for Sale and Purchase of Natural Gas

(Continued)

This Base Contract incorporates by reference for all purposes the General Terms and Conditions for Sale and Purchase of Natural Gas published by the North American Energy Standards Board. The parties hereby agree to the following provisions offered in said General Terms and Conditions. In the event the parties fail to check a box, the specified default provision shall apply. Select the appropriate box(es) from each section:

<p><b>Section 1.2</b>    <input checked="" type="checkbox"/> Oral (default) Transaction Procedure    OR <input type="checkbox"/> Written</p>	<p><b>Section 10.2</b>    <input type="checkbox"/> No Additional Events of Default (default) Additional Events of Default    <input type="checkbox"/> Indebtedness Cross Default <input type="checkbox"/> Party A: _____ <input type="checkbox"/> Party B: _____ <input checked="" type="checkbox"/> Transactional Cross Default <u>Specified Transactions:</u>  <u>"Any physical or financial commodity contract or transportation between the parties for any energy or energy related products."</u></p>
<p><b>Section 2.7</b>    <input checked="" type="checkbox"/> 2 Business Days after receipt (default) Confirm Deadline    OR <input type="checkbox"/> _____ Business Days after receipt</p>	
<p><b>Section 2.8</b>    <input type="checkbox"/> Seller (default) Confirming Party    OR <input type="checkbox"/> Buyer <input checked="" type="checkbox"/> Peoples Natural Gas</p>	
<p><b>Section 3.2</b>    <input checked="" type="checkbox"/> Cover Standard (default) Performance Obligation    OR <input type="checkbox"/> Spot Price Standard</p>	<p><b>Section 10.3.1</b>    <input checked="" type="checkbox"/> Early Termination Damages Apply (default) Early Termination Damages    OR <input type="checkbox"/> Early Termination Damages Do Not Apply</p>
<p><b>Note: The following Spot Price Publication applies to both of the immediately preceding.</b></p>	
<p><b>Section 2.31</b>    <input checked="" type="checkbox"/> Gas Daily Midpoint (default) Spot Price Publication    OR <input type="checkbox"/> _____</p>	<p><b>Section 10.3.2</b>    <input checked="" type="checkbox"/> Other Agreement Setoffs Apply (default) Other Agreement Setoffs    <input checked="" type="checkbox"/> Bilateral (default) <input type="checkbox"/> Triangular  OR <input type="checkbox"/> Other Agreement Setoffs Do Not Apply</p>
<p><b>Section 6</b>    <input checked="" type="checkbox"/> Buyer Pays At and After Delivery Point (default) Taxes    OR <input type="checkbox"/> Seller Pays Before and At Delivery Point</p>	
<p><b>Section 7.2</b>    <input checked="" type="checkbox"/> 25<sup>th</sup> Day of Month following Month of delivery (default) Payment Date    OR <input type="checkbox"/> Day of Month following Month of delivery</p>	<p><b>Section 15.5</b>    _____ Choice Of Law    <b>New York</b></p>
<p><b>Section 7.2</b>    <input checked="" type="checkbox"/> Wire transfer (default) Method of Payment    <input type="checkbox"/> Automated Clearinghouse Credit (ACH) <input type="checkbox"/> Check</p>	<p><b>Section 15.10</b>    <input checked="" type="checkbox"/> Confidentiality applies (default) Confidentiality    OR <input type="checkbox"/> Confidentiality does not apply</p>
<p><b>Section 7.7</b>    <input checked="" type="checkbox"/> Netting applies (default) Netting    OR <input type="checkbox"/> Netting does not apply</p>	
<p><input checked="" type="checkbox"/> <b>Special Provisions</b> Number of sheets attached: <u>Three (3)</u></p>	
<p><input type="checkbox"/> <b>Addendum(s):</b> _____</p>	

IN WITNESS WHEREOF, the parties hereto have executed this Base Contract in duplicate.

<b>PEOPLES NATURAL GAS COMPANY LLC</b>	<i>PARTY NAME</i>	<b>[INSERT COUNTERPARTY LEGAL ENTITY NAME]</b>
By: _____	<i>SIGNATURE</i>	By: _____
	<i>PRINTED NAME</i>	[Insert Name]
	<i>TITLE</i>	[Insert Title]
	<i>DATE</i>	
<b>Approved by Legal:</b> _____		

## General Terms and Conditions Base Contract for Sale and Purchase of Natural Gas

### SECTION 1. PURPOSE AND PROCEDURES

1.1. These General Terms and Conditions are intended to facilitate purchase and sale transactions of Gas on a Firm or Interruptible basis. "Buyer" refers to the party receiving Gas and "Seller" refers to the party delivering Gas. The entire agreement between the parties shall be the Contract as defined in Section 2.9.

**The parties have selected either the "Oral Transaction Procedure" or the "Written Transaction Procedure" as indicated on the Base Contract.**

#### **Oral Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Any Gas purchase and sale transaction may be effectuated in an EDI transmission or telephone conversation with the offer and acceptance constituting the agreement of the parties. The parties shall be legally bound from the time they so agree to transaction terms and may each rely thereon. Any such transaction shall be considered a "writing" and to have been "signed". Notwithstanding the foregoing sentence, the parties agree that Confirming Party shall, and the other party may, confirm a telephonic transaction by sending the other party a Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means within three Business Days of a transaction covered by this Section 1.2 (Oral Transaction Procedure) provided that the failure to send a Transaction Confirmation shall not invalidate the oral agreement of the parties. Confirming Party adopts its confirming letterhead, or the like, as its signature on any Transaction Confirmation as the identification and authentication of Confirming Party. If the Transaction Confirmation contains any provisions other than those relating to the commercial terms of the transaction (i.e., price, quantity, performance obligation, delivery point, period of delivery and/or transportation conditions), which modify or supplement the Base Contract or General Terms and Conditions of this Contract (e.g., arbitration or additional representations and warranties), such provisions shall not be deemed to be accepted pursuant to Section 1.3 but must be expressly agreed to by both parties; provided that the foregoing shall not invalidate any transaction agreed to by the parties.

#### **Written Transaction Procedure:**

1.2. The parties will use the following Transaction Confirmation procedure. Should the parties come to an agreement regarding a Gas purchase and sale transaction for a particular Delivery Period, the Confirming Party shall, and the other party may, record that agreement on a Transaction Confirmation and communicate such Transaction Confirmation by facsimile, EDI or mutually agreeable electronic means, to the other party by the close of the Business Day following the date of agreement. The parties acknowledge that their agreement will not be binding until the exchange of nonconflicting Transaction Confirmations or the passage of the Confirm Deadline without objection from the receiving party, as provided in Section 1.3.

1.3. If a sending party's Transaction Confirmation is materially different from the receiving party's understanding of the agreement referred to in Section 1.2, such receiving party shall notify the sending party via facsimile, EDI or mutually agreeable electronic means by the Confirm Deadline, unless such receiving party has previously sent a Transaction Confirmation to the sending party. The failure of the receiving party to so notify the sending party in writing by the Confirm Deadline constitutes the receiving party's agreement to the terms of the transaction described in the sending party's Transaction Confirmation. If there are any material differences between timely sent Transaction Confirmations governing the same transaction, then neither Transaction Confirmation shall be binding until or unless such differences are resolved including the use of any evidence that clearly resolves the differences in the Transaction Confirmations. In the event of a conflict among the terms of (i) a binding Transaction Confirmation pursuant to Section 1.2, (ii) the oral agreement of the parties which may be evidenced by a recorded conversation, where the parties have selected the Oral Transaction Procedure of the Base Contract, (iii) the Base Contract, and (iv) these General Terms and Conditions, the terms of the documents shall govern in the priority listed in this sentence.

1.4. The parties agree that each party may electronically record all telephone conversations with respect to this Contract between their respective employees, without any special or further notice to the other party. Each party shall obtain any necessary consent of its agents and employees to such recording. Where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, the parties agree not to contest the validity or enforceability of telephonic recordings entered into in accordance with the requirements of this Base Contract.

### SECTION 2. DEFINITIONS

The terms set forth below shall have the meaning ascribed to them below. Other terms are also defined elsewhere in the Contract and shall have the meanings ascribed to them herein.

2.1. "Additional Event of Default" shall mean Transactional Cross Default or Indebtedness Cross Default, each as and if selected by the parties pursuant to the Base Contract.

2.2. "Affiliate" shall mean, in relation to any person, any entity controlled, directly or indirectly, by the person, any entity that controls, directly or indirectly, the person or any entity directly or indirectly under common control with the person. For this purpose, "control" of any entity or person means ownership of at least 50 percent of the voting power of the entity or person.

- 2.3. "Alternative Damages" shall mean such damages, expressed in dollars or dollars per MMBtu, as the parties shall agree upon in the Transaction Confirmation, in the event either Seller or Buyer fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer.
- 2.4. "Base Contract" shall mean a contract executed by the parties that incorporates these General Terms and Conditions by reference; that specifies the agreed selections of provisions contained herein; and that sets forth other information required herein and any Special Provisions and addendum(s) as identified on page one.
- 2.5. "British thermal unit" or "Btu" shall mean the International BTU, which is also called the Btu (IT).
- 2.6. "Business Day(s)" shall mean Monday through Friday, excluding Federal Banking Holidays for transactions in the U.S.
- 2.7. "Confirm Deadline" shall mean 5:00 p.m. in the receiving party's time zone on the second Business Day following the Day a Transaction Confirmation is received or, if applicable, on the Business Day agreed to by the parties in the Base Contract; provided, if the Transaction Confirmation is time stamped after 5:00 p.m. in the receiving party's time zone, it shall be deemed received at the opening of the next Business Day.
- 2.8. "Confirming Party" shall mean the party designated in the Base Contract to prepare and forward Transaction Confirmations to the other party.
- 2.9. "Contract" shall mean the legally-binding relationship established by (i) the Base Contract, (ii) any and all binding Transaction Confirmations and (iii) where the parties have selected the Oral Transaction Procedure in Section 1.2 of the Base Contract, any and all transactions that the parties have entered into through an EDI transmission or by telephone, but that have not been confirmed in a binding Transaction Confirmation, all of which shall form a single integrated agreement between the parties.
- 2.10. "Contract Price" shall mean the amount expressed in U.S. Dollars per MMBtu to be paid by Buyer to Seller for the purchase of Gas as agreed to by the parties in a transaction.
- 2.11. "Contract Quantity" shall mean the quantity of Gas to be delivered and taken as agreed to by the parties in a transaction.
- 2.12. "Cover Standard", as referred to in Section 3.2, shall mean that if there is an unexcused failure to take or deliver any quantity of Gas pursuant to this Contract, then the performing party shall use commercially reasonable efforts to (i) if Buyer is the performing party, obtain Gas, (or an alternate fuel if elected by Buyer and replacement Gas is not available), or (ii) if Seller is the performing party, sell Gas, in either case, at a price reasonable for the delivery or production area, as applicable, consistent with: the amount of notice provided by the nonperforming party; the immediacy of the Buyer's Gas consumption needs or Seller's Gas sales requirements, as applicable; the quantities involved; and the anticipated length of failure by the nonperforming party.
- 2.13. "Credit Support Obligation(s)" shall mean any obligation(s) to provide or establish credit support for, or on behalf of, a party to this Contract such as cash, an irrevocable standby letter of credit, a margin agreement, a prepayment, a security interest in an asset, guaranty, or other good and sufficient security of a continuing nature.
- 2.14. "Day" shall mean a period of 24 consecutive hours, coextensive with a "day" as defined by the Receiving Transporter in a particular transaction.
- 2.15. "Delivery Period" shall be the period during which deliveries are to be made as agreed to by the parties in a transaction.
- 2.16. "Delivery Point(s)" shall mean such point(s) as are agreed to by the parties in a transaction.
- 2.17. "EDI" shall mean an electronic data interchange pursuant to an agreement entered into by the parties, specifically relating to the communication of Transaction Confirmations under this Contract.
- 2.18. "EFP" shall mean the purchase, sale or exchange of natural Gas as the "physical" side of an exchange for physical transaction involving gas futures contracts. EFP shall incorporate the meaning and remedies of "Firm", provided that a party's excuse for nonperformance of its obligations to deliver or receive Gas will be governed by the rules of the relevant futures exchange regulated under the Commodity Exchange Act.
- 2.19. "Firm" shall mean that either party may interrupt its performance without liability only to the extent that such performance is prevented for reasons of Force Majeure; provided, however, that during Force Majeure interruptions, the party invoking Force Majeure may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by the Transporter.
- 2.20. "Gas" shall mean any mixture of hydrocarbons and noncombustible gases in a gaseous state consisting primarily of methane.
- 2.21. "Guarantor" shall mean any entity that has provided a guaranty of the obligations of a party hereunder.
- 2.22. "Imbalance Charges" shall mean any fees, penalties, costs or charges (in cash or in kind) assessed by a Transporter for failure to satisfy the Transporter's balance and/or nomination requirements.
- 2.23. "Indebtedness Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it or its Guarantor, if any, experiences a default, or similar condition or event however therein defined, under one or more agreements or instruments, individually or collectively, relating to indebtedness (such indebtedness to include any obligation whether present or future, contingent or otherwise, as principal or surety or otherwise) for the payment or repayment of borrowed money in an aggregate amount greater than the threshold specified in the Base Contract with respect to such party or its Guarantor, if any, which results in such indebtedness becoming immediately due and payable.

- 2.24. "Interruptible" shall mean that either party may interrupt its performance at any time for any reason, whether or not caused by an event of Force Majeure, with no liability, except such interrupting party may be responsible for any Imbalance Charges as set forth in Section 4.3 related to its interruption after the nomination is made to the Transporter and until the change in deliveries and/or receipts is confirmed by Transporter.
- 2.25. "MMBtu" shall mean one million British thermal units, which is equivalent to one dekatherm.
- 2.26. "Month" shall mean the period beginning on the first Day of the calendar month and ending immediately prior to the commencement of the first Day of the next calendar month.
- 2.27. "Payment Date" shall mean a date, as indicated on the Base Contract, on or before which payment is due Seller for Gas received by Buyer in the previous Month.
- 2.28. "Receiving Transporter" shall mean the Transporter receiving Gas at a Delivery Point, or absent such receiving Transporter, the Transporter delivering Gas at a Delivery Point.
- 2.29. "Scheduled Gas" shall mean the quantity of Gas confirmed by Transporter(s) for movement, transportation or management.
- 2.30. "Specified Transaction(s)" shall mean any other transaction or agreement between the parties for the purchase, sale or exchange of physical Gas, and any other transaction or agreement identified as a Specified Transaction under the Base Contract.
- 2.31. "Spot Price " as referred to in Section 3.2 shall mean the price listed in the publication indicated on the Base Contract, under the listing applicable to the geographic location closest in proximity to the Delivery Point(s) for the relevant Day; provided, if there is no single price published for such location for such Day, but there is published a range of prices, then the Spot Price shall be the average of such high and low prices. If no price or range of prices is published for such Day, then the Spot Price shall be the average of the following: (i) the price (determined as stated above) for the first Day for which a price or range of prices is published that next precedes the relevant Day; and (ii) the price (determined as stated above) for the first Day for which a price or range of prices is published that next follows the relevant Day.
- 2.32. "Transaction Confirmation" shall mean a document, similar to the form of Exhibit A, setting forth the terms of a transaction formed pursuant to Section 1 for a particular Delivery Period.
- 2.33. "Transactional Cross Default" shall mean if selected on the Base Contract by the parties with respect to a party, that it shall be in default, however therein defined, under any Specified Transaction.
- 2.34. "Termination Option" shall mean the option of either party to terminate a transaction in the event that the other party fails to perform a Firm obligation to deliver Gas in the case of Seller or to receive Gas in the case of Buyer for a designated number of days during a period as specified on the applicable Transaction Confirmation.
- 2.35. "Transporter(s)" shall mean all Gas gathering or pipeline companies, or local distribution companies, acting in the capacity of a transporter, transporting Gas for Seller or Buyer upstream or downstream, respectively, of the Delivery Point pursuant to a particular transaction.

### SECTION 3. PERFORMANCE OBLIGATION

- 3.1. Seller agrees to sell and deliver, and Buyer agrees to receive and purchase, the Contract Quantity for a particular transaction in accordance with the terms of the Contract. Sales and purchases will be on a Firm or Interruptible basis, as agreed to by the parties in a transaction.

**The parties have selected either the "Cover Standard" or the "Spot Price Standard" as indicated on the Base Contract.**

**Cover Standard:**

- 3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the positive difference, if any, between the purchase price paid by Buyer utilizing the Cover Standard and the Contract Price, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually delivered by Seller for such Day(s) excluding any quantity for which no replacement is available; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in the amount equal to the positive difference, if any, between the Contract Price and the price received by Seller utilizing the Cover Standard for the resale of such Gas, adjusted for commercially reasonable differences in transportation costs to or from the Delivery Point(s), multiplied by the difference between the Contract Quantity and the quantity actually taken by Buyer for such Day(s) excluding any quantity for which no sale is available; and (iii) in the event that Buyer has used commercially reasonable efforts to replace the Gas or Seller has used commercially reasonable efforts to sell the Gas to a third party, and no such replacement or sale is available for all or any portion of the Contract Quantity of Gas, then in addition to (i) or (ii) above, as applicable, the sole and exclusive remedy of the performing party with respect to the Gas not replaced or sold shall be an amount equal to any unfavorable difference between the Contract Price and the Spot Price, adjusted for such transportation to the applicable Delivery Point, multiplied by the quantity of such Gas not replaced or sold. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

**Spot Price Standard:**

3.2. The sole and exclusive remedy of the parties in the event of a breach of a Firm obligation to deliver or receive Gas shall be recovery of the following: (i) in the event of a breach by Seller on any Day(s), payment by Seller to Buyer in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the Contract Price from the Spot Price; or (ii) in the event of a breach by Buyer on any Day(s), payment by Buyer to Seller in an amount equal to the difference between the Contract Quantity and the actual quantity delivered by Seller and received by Buyer for such Day(s), multiplied by the positive difference, if any, obtained by subtracting the applicable Spot Price from the Contract Price. Imbalance Charges shall not be recovered under this Section 3.2, but Seller and/or Buyer shall be responsible for Imbalance Charges, if any, as provided in Section 4.3. The amount of such unfavorable difference shall be payable five Business Days after presentation of the performing party's invoice, which shall set forth the basis upon which such amount was calculated.

3.3. Notwithstanding Section 3.2, the parties may agree to Alternative Damages in a Transaction Confirmation executed in writing by both parties.

3.4. In addition to Sections 3.2 and 3.3, the parties may provide for a Termination Option in a Transaction Confirmation executed in writing by both parties. The Transaction Confirmation containing the Termination Option will designate the length of nonperformance triggering the Termination Option and the procedures for exercise thereof, how damages for nonperformance will be compensated, and how liquidation costs will be calculated.

**SECTION 4. TRANSPORTATION, NOMINATIONS, AND IMBALANCES**

4.1. Seller shall have the sole responsibility for transporting the Gas to the Delivery Point(s). Buyer shall have the sole responsibility for transporting the Gas from the Delivery Point(s).

4.2. The parties shall coordinate their nomination activities, giving sufficient time to meet the deadlines of the affected Transporter(s). Each party shall give the other party timely prior Notice, sufficient to meet the requirements of all Transporter(s) involved in the transaction, of the quantities of Gas to be delivered and purchased each Day. Should either party become aware that actual deliveries at the Delivery Point(s) are greater or lesser than the Scheduled Gas, such party shall promptly notify the other party.

4.3. The parties shall use commercially reasonable efforts to avoid imposition of any Imbalance Charges. If Buyer or Seller receives an invoice from a Transporter that includes Imbalance Charges, the parties shall determine the validity as well as the cause of such Imbalance Charges. If the Imbalance Charges were incurred as a result of Buyer's receipt of quantities of Gas greater than or less than the Scheduled Gas, then Buyer shall pay for such Imbalance Charges or reimburse Seller for such Imbalance Charges paid by Seller. If the Imbalance Charges were incurred as a result of Seller's delivery of quantities of Gas greater than or less than the Scheduled Gas, then Seller shall pay for such Imbalance Charges or reimburse Buyer for such Imbalance Charges paid by Buyer.

**SECTION 5. QUALITY AND MEASUREMENT**

All Gas delivered by Seller shall meet the pressure, quality and heat content requirements of the Receiving Transporter. The unit of quantity measurement for purposes of this Contract shall be one MMBtu dry. Measurement of Gas quantities hereunder shall be in accordance with the established procedures of the Receiving Transporter.

**SECTION 6. TAXES**

**The parties have selected either "Buyer Pays At and After Delivery Point" or "Seller Pays Before and At Delivery Point" as indicated on the Base Contract.**

**Buyer Pays At and After Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas at the Delivery Point(s) and all Taxes after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

**Seller Pays Before and At Delivery Point:**

Seller shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas prior to the Delivery Point(s) and all Taxes at the Delivery Point(s). Buyer shall pay or cause to be paid all Taxes on or with respect to the Gas after the Delivery Point(s). If a party is required to remit or pay Taxes that are the other party's responsibility hereunder, the party responsible for such Taxes shall promptly reimburse the other party for such Taxes. Any party entitled to an exemption from any such Taxes or charges shall furnish the other party any necessary documentation thereof.

**SECTION 7. BILLING, PAYMENT, AND AUDIT**

7.1. Seller shall invoice Buyer for Gas delivered and received in the preceding Month and for any other applicable charges, providing supporting documentation acceptable in industry practice to support the amount charged. If the actual quantity delivered is not known by the billing date, billing will be prepared based on the quantity of Scheduled Gas. The invoiced quantity will then be adjusted to the actual quantity on the following Month's billing or as soon thereafter as actual delivery information is available.

7.2. Buyer shall remit the amount due under Section 7.1 in the manner specified in the Base Contract, in immediately available funds, on or before the later of the Payment Date or 10 Days after receipt of the invoice by Buyer; provided that if the Payment Date is not a Business Day, payment is due on the next Business Day following that date. In the event any payments are due Buyer hereunder, payment to Buyer shall be made in accordance with this Section 7.2.

7.3. In the event payments become due pursuant to Sections 3.2 or 3.3, the performing party may submit an invoice to the nonperforming party for an accelerated payment setting forth the basis upon which the invoiced amount was calculated. Payment from the nonperforming party will be due five Business Days after receipt of invoice.

7.4. If the invoiced party, in good faith, disputes the amount of any such invoice or any part thereof, such invoiced party will pay such amount as it concedes to be correct; provided, however, if the invoiced party disputes the amount due, it must provide supporting documentation acceptable in industry practice to support the amount paid or disputed without undue delay. In the event the parties are unable to resolve such dispute, either party may pursue any remedy available at law or in equity to enforce its rights pursuant to this Section.

7.5. If the invoiced party fails to remit the full amount payable when due, interest on the unpaid portion shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

7.6. A party shall have the right, at its own expense, upon reasonable Notice and at reasonable times, to examine and audit and to obtain copies of the relevant portion of the books, records, and telephone recordings of the other party only to the extent reasonably necessary to verify the accuracy of any statement, charge, payment, or computation made under the Contract. This right to examine, audit, and to obtain copies shall not be available with respect to proprietary information not directly relevant to transactions under this Contract. All invoices and billings shall be conclusively presumed final and accurate and all associated claims for under- or overpayments shall be deemed waived unless such invoices or billings are objected to in writing, with adequate explanation and/or documentation, within two years after the Month of Gas delivery. All retroactive adjustments under Section 7 shall be paid in full by the party owing payment within 30 Days of Notice and substantiation of such inaccuracy.

7.7. Unless the parties have elected on the Base Contract not to make this Section 7.7 applicable to this Contract, the parties shall net all undisputed amounts due and owing, and/or past due, arising under the Contract such that the party owing the greater amount shall make a single payment of the net amount to the other party in accordance with Section 7; provided that no payment required to be made pursuant to the terms of any Credit Support Obligation or pursuant to Section 7.3 shall be subject to netting under this Section. If the parties have executed a separate netting agreement, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 8. TITLE, WARRANTY, AND INDEMNITY

8.1. Unless otherwise specifically agreed, title to the Gas shall pass from Seller to Buyer at the Delivery Point(s). Seller shall have responsibility for and assume any liability with respect to the Gas prior to its delivery to Buyer at the specified Delivery Point(s). Buyer shall have responsibility for and assume any liability with respect to said Gas after its delivery to Buyer at the Delivery Point(s).

8.2. Seller warrants that it will have the right to convey and will transfer good and merchantable title to all Gas sold hereunder and delivered by it to Buyer, free and clear of all liens, encumbrances, and claims. EXCEPT AS PROVIDED IN THIS SECTION 8.2 AND IN SECTION 15.8, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR ANY PARTICULAR PURPOSE, ARE DISCLAIMED.

8.3. Seller agrees to indemnify Buyer and save it harmless from all losses, liabilities or claims including reasonable attorneys' fees and costs of court ("Claims"), from any and all persons, arising from or out of claims of title, personal injury (including death) or property damage from said Gas or other charges thereon which attach before title passes to Buyer. Buyer agrees to indemnify Seller and save it harmless from all Claims, from any and all persons, arising from or out of claims regarding payment, personal injury (including death) or property damage from said Gas or other charges thereon which attach after title passes to Buyer.

8.4. The parties agree that the delivery of and the transfer of title to all Gas under this Contract shall take place within the Customs Territory of the United States (as defined in general note 2 of the Harmonized Tariff Schedule of the United States 19 U.S.C. §1202, General Notes, page 3); provided, however, that in the event Seller took title to the Gas outside the Customs Territory of the United States, Seller represents and warrants that it is the importer of record for all Gas entered and delivered into the United States, and shall be responsible for entry and entry summary filings as well as the payment of duties, taxes and fees, if any, and all applicable record keeping requirements.

8.5. Notwithstanding the other provisions of this Section 8, as between Seller and Buyer, Seller will be liable for all Claims to the extent that such arise from the failure of Gas delivered by Seller to meet the quality requirements of Section 5.

## SECTION 9. NOTICES

9.1. All Transaction Confirmations, invoices, payment instructions, and other communications made pursuant to the Base Contract ("Notices") shall be made to the addresses specified in writing by the respective parties from time to time.

9.2. All Notices required hereunder shall be in writing and may be sent by facsimile or mutually acceptable electronic means, a nationally recognized overnight courier service, first class mail or hand delivered.

9.3. Notice shall be given when received on a Business Day by the addressee. In the absence of proof of the actual receipt date, the following presumptions will apply. Notices sent by facsimile shall be deemed to have been received upon the sending

Witness: Edward Palombo

party's receipt of its facsimile machine's confirmation of successful transmission. If the day on which such facsimile is received is not a Business Day or is after five p.m. on a Business Day, then such facsimile shall be deemed to have been received on the next following Business Day. Notice by overnight mail or courier shall be deemed to have been received on the next Business Day after it was sent or such earlier time as is confirmed by the receiving party. Notice via first class mail shall be considered delivered five Business Days after mailing.

9.4. The party receiving a commercially acceptable Notice of change in payment instructions or other payment information shall not be obligated to implement such change until ten Business Days after receipt of such Notice.

## SECTION 10. FINANCIAL RESPONSIBILITY

10.1. If either party ("X") has reasonable grounds for insecurity regarding the performance of any obligation under this Contract (whether or not then due) by the other party ("Y") (including, without limitation, the occurrence of a material change in the creditworthiness of Y or its Guarantor, if applicable), X may demand Adequate Assurance of Performance. "Adequate Assurance of Performance" shall mean sufficient security in the form, amount, for a term, and from an issuer, all as reasonably acceptable to X, including, but not limited to cash, a standby irrevocable letter of credit, a prepayment, a security interest in an asset or guaranty. Y hereby grants to X a continuing first priority security interest in, lien on, and right of setoff against all Adequate Assurance of Performance in the form of cash transferred by Y to X pursuant to this Section 10.1. Upon the return by X to Y of such Adequate Assurance of Performance, the security interest and lien granted hereunder on that Adequate Assurance of Performance shall be released automatically and, to the extent possible, without any further action by either party.

10.2. In the event (each an "Event of Default") either party (the "Defaulting Party") or its Guarantor shall: (i) make an assignment or any general arrangement for the benefit of creditors; (ii) file a petition or otherwise commence, authorize, or acquiesce in the commencement of a proceeding or case under any bankruptcy or similar law for the protection of creditors or have such petition filed or proceeding commenced against it; (iii) otherwise become bankrupt or insolvent (however evidenced); (iv) be unable to pay its debts as they fall due; (v) have a receiver, provisional liquidator, conservator, custodian, trustee or other similar official appointed with respect to it or substantially all of its assets; (vi) fail to perform any obligation to the other party with respect to any Credit Support Obligations relating to the Contract; (vii) fail to give Adequate Assurance of Performance under Section 10.1 within 48 hours but at least one Business Day of a written request by the other party; (viii) not have paid any amount due the other party hereunder on or before the second Business Day following written Notice that such payment is due; or ix) be the affected party with respect to any Additional Event of Default; then the other party (the "Non-Defaulting Party") shall have the right, at its sole election, to immediately withhold and/or suspend deliveries or payments upon Notice and/or to terminate and liquidate the transactions under the Contract, in the manner provided in Section 10.3, in addition to any and all other remedies available hereunder.

10.3. If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right, by Notice to the Defaulting Party, to designate a Day, no earlier than the Day such Notice is given and no later than 20 Days after such Notice is given, as an early termination date (the "Early Termination Date") for the liquidation and termination pursuant to Section 10.3.1 of all transactions under the Contract, each a "Terminated Transaction". On the Early Termination Date, all transactions will terminate, other than those transactions, if any, that may not be liquidated and terminated under applicable law ("Excluded Transactions"), which Excluded Transactions must be liquidated and terminated as soon thereafter as is legally permissible, and upon termination shall be a Terminated Transaction and be valued consistent with Section 10.3.1 below. With respect to each Excluded Transaction, its actual termination date shall be the Early Termination Date for purposes of Section 10.3.1.

**The parties have selected either "Early Termination Damages Apply" or "Early Termination Damages Do Not Apply" as indicated on the Base Contract.**

### **Early Termination Damages Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, (i) the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract and (ii) the Market Value, as defined below, of each Terminated Transaction. The Non-Defaulting Party shall (x) liquidate and accelerate each Terminated Transaction at its Market Value, so that each amount equal to the difference between such Market Value and the Contract Value, as defined below, of such Terminated Transaction(s) shall be due to the Buyer under the Terminated Transaction(s) if such Market Value exceeds the Contract Value and to the Seller if the opposite is the case; and (y) where appropriate, discount each amount then due under clause (x) above to present value in a commercially reasonable manner as of the Early Termination Date (to take account of the period between the date of liquidation and the date on which such amount would have otherwise been due pursuant to the relevant Terminated Transactions).

For purposes of this Section 10.3.1, "Contract Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the Contract Price, and "Market Value" means the amount of Gas remaining to be delivered or purchased under a transaction multiplied by the market price for a similar transaction at the Delivery Point determined by the Non-Defaulting Party in a commercially reasonable manner. To ascertain the Market Value, the Non-Defaulting Party may consider, among other valuations, any or all of the settlement prices of NYMEX Gas futures contracts, quotations from leading dealers in energy swap contracts or physical gas trading markets, similar sales or purchases and any other bona fide third-party offers, all adjusted for the length of the term and differences in transportation costs. A party shall not be required to enter into a replacement transaction(s) in

order to determine the Market Value. Any extension(s) of the term of a transaction to which parties are not bound as of the Early Termination Date (including but not limited to "evergreen provisions") shall not be considered in determining Contract Values and Market Values. For the avoidance of doubt, any option pursuant to which one party has the right to extend the term of a transaction shall be considered in determining Contract Values and Market Values. The rate of interest used in calculating net present value shall be determined by the Non-Defaulting Party in a commercially reasonable manner.

**Early Termination Damages Do Not Apply:**

10.3.1. As of the Early Termination Date, the Non-Defaulting Party shall determine, in good faith and in a commercially reasonable manner, the amount owed (whether or not then due) by each party with respect to all Gas delivered and received between the parties under Terminated Transactions and Excluded Transactions on and before the Early Termination Date and all other applicable charges relating to such deliveries and receipts (including without limitation any amounts owed under Section 3.2), for which payment has not yet been made by the party that owes such payment under this Contract.

**The parties have selected either "Other Agreement Setoffs Apply" or "Other Agreement Setoffs Do Not Apply" as indicated on the Base Contract.**

**Other Agreement Setoffs Apply:**

**Bilateral Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff any Net Settlement Amount against (i) any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; and (ii) any amount(s) (including any excess cash margin or excess cash collateral) owed or held by the party that is entitled to the Net Settlement Amount under any other agreement or arrangement between the parties.

**Triangular Setoff Option:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option, and without prior Notice to the Defaulting Party, the Non-Defaulting Party is hereby authorized to setoff (i) any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract; (ii) any Net Settlement Amount against any amount(s) (including any excess cash margin or excess cash collateral) owed by or to a party under any other agreement or arrangement between the parties; (iii) any Net Settlement Amount owed to the Non-Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Non-Defaulting Party or its Affiliates to the Defaulting Party under any other agreement or arrangement; (iv) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party to the Non-Defaulting Party or its Affiliates under any other agreement or arrangement; and/or (v) any Net Settlement Amount owed to the Defaulting Party against any amount(s) (including any excess cash margin or excess cash collateral) owed by the Defaulting Party or its Affiliates to the Non-Defaulting Party under any other agreement or arrangement.

**Other Agreement Setoffs Do Not Apply:**

10.3.2. The Non-Defaulting Party shall net or aggregate, as appropriate, any and all amounts owing between the parties under Section 10.3.1, so that all such amounts are netted or aggregated to a single liquidated amount payable by one party to the other (the "Net Settlement Amount"). At its sole option and without prior Notice to the Defaulting Party, the Non-Defaulting Party may setoff any Net Settlement Amount against any margin or other collateral held by a party in connection with any Credit Support Obligation relating to the Contract.

10.3.3. If any obligation that is to be included in any netting, aggregation or setoff pursuant to Section 10.3.2 is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and net, aggregate or setoff, as applicable, in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained. Any amount not then due which is included in any netting, aggregation or setoff pursuant to Section 10.3.2 shall be discounted to net present value in a commercially reasonable manner determined by the Non-Defaulting Party.

10.4. As soon as practicable after a liquidation, Notice shall be given by the Non-Defaulting Party to the Defaulting Party of the Net Settlement Amount, and whether the Net Settlement Amount is due to or due from the Non-Defaulting Party. The Notice shall include a written statement explaining in reasonable detail the calculation of the Net Settlement Amount, provided that failure to give such Notice shall not affect the validity or enforceability of the liquidation or give rise to any claim by the Defaulting Party against the Non-Defaulting Party. The Net Settlement Amount as well as any setoffs applied against such amount pursuant to Section 10.3.2, shall be paid by the close of business on the second Business Day following such Notice, which date shall not be earlier than the Early Termination Date. Interest on any unpaid portion of the Net Settlement Amount as adjusted by setoffs, shall accrue from the date due until the date of payment at a rate equal to the lower of (i) the then-effective prime rate of interest published under "Money Rates" by The Wall Street Journal, plus two percent per annum; or (ii) the maximum applicable lawful interest rate.

10.5. The parties agree that the transactions hereunder constitute a "forward contract" within the meaning of the United States Bankruptcy Code and that Buyer and Seller are each "forward contract merchants" within the meaning of the United States Bankruptcy Code.

10.6. The Non-Defaulting Party's remedies under this Section 10 are the sole and exclusive remedies of the Non-Defaulting Party with respect to the occurrence of any Early Termination Date. Each party reserves to itself all other rights, setoffs, counterclaims and other defenses that it is or may be entitled to arising from the Contract.

10.7. With respect to this Section 10, if the parties have executed a separate netting agreement with close-out netting provisions, the terms and conditions therein shall prevail to the extent inconsistent herewith.

## SECTION 11. FORCE MAJEURE

11.1. Except with regard to a party's obligation to make payment(s) due under Section 7, Section 10.4, and Imbalance Charges under Section 4, neither party shall be liable to the other for failure to perform a Firm obligation, to the extent such failure was caused by Force Majeure. The term "Force Majeure" as employed herein means any cause not reasonably within the control of the party claiming suspension, as further defined in Section 11.2.

11.2. Force Majeure shall include, but not be limited to, the following: (i) physical events such as acts of God, landslides, lightning, earthquakes, fires, storms or storm warnings, such as hurricanes, which result in evacuation of the affected area, floods, washouts, explosions, breakage or accident or necessity of repairs to machinery or equipment or lines of pipe; (ii) weather related events affecting an entire geographic region, such as low temperatures which cause freezing or failure of wells or lines of pipe; (iii) interruption and/or curtailment of Firm transportation and/or storage by Transporters; (iv) acts of others such as strikes, lockouts or other industrial disturbances, riots, sabotage, insurrections or wars, or acts of terror; and (v) governmental actions such as necessity for compliance with any court order, law, statute, ordinance, regulation, or policy having the effect of law promulgated by a governmental authority having jurisdiction. Seller and Buyer shall make reasonable efforts to avoid the adverse impacts of a Force Majeure and to resolve the event or occurrence once it has occurred in order to resume performance.

11.3. Neither party shall be entitled to the benefit of the provisions of Force Majeure to the extent performance is affected by any or all of the following circumstances: (i) the curtailment of interruptible or secondary Firm transportation unless primary, in-path, Firm transportation is also curtailed; (ii) the party claiming excuse failed to remedy the condition and to resume the performance of such covenants or obligations with reasonable dispatch; or (iii) economic hardship, to include, without limitation, Seller's ability to sell Gas at a higher or more advantageous price than the Contract Price, Buyer's ability to purchase Gas at a lower or more advantageous price than the Contract Price, or a regulatory agency disallowing, in whole or in part, the pass through of costs resulting from this Contract; (iv) the loss of Buyer's market(s) or Buyer's inability to use or resell Gas purchased hereunder, except, in either case, as provided in Section 11.2; or (v) the loss or failure of Seller's gas supply or depletion of reserves, except, in either case, as provided in Section 11.2. The party claiming Force Majeure shall not be excused from its responsibility for Imbalance Charges.

11.4. Notwithstanding anything to the contrary herein, the parties agree that the settlement of strikes, lockouts or other industrial disturbances shall be within the sole discretion of the party experiencing such disturbance.

11.5. The party whose performance is prevented by Force Majeure must provide Notice to the other party. Initial Notice may be given orally; however, written Notice with reasonably full particulars of the event or occurrence is required as soon as reasonably possible. Upon providing written Notice of Force Majeure to the other party, the affected party will be relieved of its obligation, from the onset of the Force Majeure event, to make or accept delivery of Gas, as applicable, to the extent and for the duration of Force Majeure, and neither party shall be deemed to have failed in such obligations to the other during such occurrence or event.

11.6. Notwithstanding Sections 11.2 and 11.3, the parties may agree to alternative Force Majeure provisions in a Transaction Confirmation executed in writing by both parties.

## SECTION 12. TERM

This Contract may be terminated on 30 Day's written Notice, but shall remain in effect until the expiration of the latest Delivery Period of any transaction(s). The rights of either party pursuant to Section 7.6, Section 10, Section 13, the obligations to make payment hereunder, and the obligation of either party to indemnify the other, pursuant hereto shall survive the termination of the Base Contract or any transaction.

## SECTION 13. LIMITATIONS

FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY. A PARTY'S LIABILITY HEREUNDER SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN OR IN A TRANSACTION, A PARTY'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY. SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

## SECTION 14. MARKET DISRUPTION

If a Market Disruption Event has occurred then the parties shall negotiate in good faith to agree on a replacement price for the Floating Price (or on a method for determining a replacement price for the Floating Price) for the affected Day, and if the parties have not so agreed on or before the second Business Day following the affected Day then the replacement price for the Floating Price shall be determined within the next two following Business Days with each party obtaining, in good faith and from non-affiliated market participants in the relevant market, two quotes for prices of Gas for the affected Day of a similar quality and quantity in the geographical location closest in proximity to the Delivery Point and averaging the four quotes. If either party fails to provide two quotes then the average of the other party's two quotes shall determine the replacement price for the Floating Price. "Floating Price" means the price or a factor of the price agreed to in the transaction as being based upon a specified index. "Market Disruption Event" means, with respect to an index specified for a transaction, any of the following events: (a) the failure of the index to announce or publish information necessary for determining the Floating Price; (b) the failure of trading to commence or the permanent discontinuation or material suspension of trading on the exchange or market acting as the index; (c) the temporary or permanent discontinuance or unavailability of the index; (d) the temporary or permanent closing of any exchange acting as the index; or (e) both parties agree that a material change in the formula for or the method of determining the Floating Price has occurred. For the purposes of the calculation of a replacement price for the Floating Price, all numbers shall be rounded to three decimal places. If the fourth decimal number is five or greater, then the third decimal number shall be increased by one and if the fourth decimal number is less than five, then the third decimal number shall remain unchanged.

## SECTION 15. MISCELLANEOUS

15.1. This Contract shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective parties hereto, and the covenants, conditions, rights and obligations of this Contract shall run for the full term of this Contract. No assignment of this Contract, in whole or in part, will be made without the prior written consent of the non-assigning party (and shall not relieve the assigning party from liability hereunder), which consent will not be unreasonably withheld or delayed; provided, either party may (i) transfer, sell, pledge, encumber, or assign this Contract or the accounts, revenues, or proceeds hereof in connection with any financing or other financial arrangements, or (ii) transfer its interest to any parent or Affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any such assignment, transfer and assumption, the transferor shall remain principally liable for and shall not be relieved of or discharged from any obligations hereunder.

15.2. If any provision in this Contract is determined to be invalid, void or unenforceable by any court having jurisdiction, such determination shall not invalidate, void, or make unenforceable any other provision, agreement or covenant of this Contract.

15.3. No waiver of any breach of this Contract shall be held to be a waiver of any other or subsequent breach.

15.4. This Contract sets forth all understandings between the parties respecting each transaction subject hereto, and any prior contracts, understandings and representations, whether oral or written, relating to such transactions are merged into and superseded by this Contract and any effective transaction(s). This Contract may be amended only by a writing executed by both parties.

15.5. The interpretation and performance of this Contract shall be governed by the laws of the jurisdiction as indicated on the Base Contract, excluding, however, any conflict of laws rule which would apply the law of another jurisdiction.

15.6. This Contract and all provisions herein will be subject to all applicable and valid statutes, rules, orders and regulations of any governmental authority having jurisdiction over the parties, their facilities, or Gas supply, this Contract or transaction or any provisions thereof.

15.7. There is no third party beneficiary to this Contract.

15.8. Each party to this Contract represents and warrants that it has full and complete authority to enter into and perform this Contract. Each person who executes this Contract on behalf of either party represents and warrants that it has full and complete authority to do so and that such party will be bound thereby.

15.9. The headings and subheadings contained in this Contract are used solely for convenience and do not constitute a part of this Contract between the parties and shall not be used to construe or interpret the provisions of this Contract.

15.10. Unless the parties have elected on the Base Contract not to make this Section 15.10 applicable to this Contract, neither party shall disclose directly or indirectly without the prior written consent of the other party the terms of any transaction to a third party (other than the employees, lenders, royalty owners, counsel, accountants and other agents of the party, or prospective purchasers of all or substantially all of a party's assets or of any rights under this Contract, provided such persons shall have agreed to keep such terms confidential) except (i) in order to comply with any applicable law, order, regulation, or exchange rule, (ii) to the extent necessary for the enforcement of this Contract, (iii) to the extent necessary to implement any transaction, (iv) to the extent necessary to comply with a regulatory agency's reporting requirements including but not limited to gas cost recovery proceedings; or (v) to the extent such information is delivered to such third party for the sole purpose of calculating a published index. Each party shall notify the other party of any proceeding of which it is aware which may result in disclosure of the terms of any transaction (other than as permitted hereunder) and use reasonable efforts to prevent or limit the disclosure. The existence of this Contract is not subject to this confidentiality obligation. Subject to Section 13, the parties shall be entitled to all remedies available at law or in equity to enforce, or seek relief in connection with this confidentiality obligation. The terms of any transaction hereunder shall be kept confidential by the parties hereto for one year from the expiration of the transaction.

In the event that disclosure is required by a governmental body or applicable law, the party subject to such requirement may disclose the material terms of this Contract to the extent so required, but shall promptly notify the other party, prior to disclosure,

and shall cooperate (consistent with the disclosing party's legal obligations) with the other party's efforts to obtain protective orders or similar restraints with respect to such disclosure at the expense of the other party.

15.11. The parties may agree to dispute resolution procedures in Special Provisions attached to the Base Contract or in a Transaction Confirmation executed in writing by both parties

15.12. Any original executed Base Contract, Transaction Confirmation or other related document may be digitally copied, photocopied, or stored on computer tapes and disks (the "Imaged Agreement"). The Imaged Agreement, if introduced as evidence on paper, the Transaction Confirmation, if introduced as evidence in automated facsimile form, the recording, if introduced as evidence in its original form, and all computer records of the foregoing, if introduced as evidence in printed format, in any judicial, arbitration, mediation or administrative proceedings will be admissible as between the parties to the same extent and under the same conditions as other business records originated and maintained in documentary form. Neither Party shall object to the admissibility of the recording, the Transaction Confirmation, or the Imaged Agreement on the basis that such were not originated or maintained in documentary form. However, nothing herein shall be construed as a waiver of any other objection to the admissibility of such evidence.

**DISCLAIMER:** The purposes of this Contract are to facilitate trade, avoid misunderstandings and make more definite the terms of contracts of purchase and sale of natural gas. Further, NAESB does not mandate the use of this Contract by any party. **NAESB DISCLAIMS AND EXCLUDES, AND ANY USER OF THIS CONTRACT ACKNOWLEDGES AND AGREES TO NAESB'S DISCLAIMER OF, ANY AND ALL WARRANTIES, CONDITIONS OR REPRESENTATIONS, EXPRESS OR IMPLIED, ORAL OR WRITTEN, WITH RESPECT TO THIS CONTRACT OR ANY PART THEREOF, INCLUDING ANY AND ALL IMPLIED WARRANTIES OR CONDITIONS OF TITLE, NON-INFRINGEMENT, MERCHANTABILITY, OR FITNESS OR SUITABILITY FOR ANY PARTICULAR PURPOSE (WHETHER OR NOT NAESB KNOWS, HAS REASON TO KNOW, HAS BEEN ADVISED, OR IS OTHERWISE IN FACT AWARE OF ANY SUCH PURPOSE), WHETHER ALLEGED TO ARISE BY LAW, BY REASON OF CUSTOM OR USAGE IN THE TRADE, OR BY COURSE OF DEALING. EACH USER OF THIS CONTRACT ALSO AGREES THAT UNDER NO CIRCUMSTANCES WILL NAESB BE LIABLE FOR ANY DIRECT, SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF ANY USE OF THIS CONTRACT.**

TRANSACTION CONFIRMATION  
FOR IMMEDIATE DELIVERY

Letterhead/Logo	Date: _____, ____ Transaction Confirmation #: _____			
This Transaction Confirmation is subject to the Base Contract between Seller and Buyer dated _____. The terms of this Transaction Confirmation are binding unless disputed in writing within 2 Business Days of receipt unless otherwise specified in the Base Contract.				
<b>SELLER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____	<b>BUYER:</b> _____ _____ Attn: _____ Phone: _____ Fax: _____ Base Contract No. _____ Transporter: _____ Transporter Contract Number: _____			
Contract Price: \$_____/MMBtu or _____				
Delivery Period: Begin: _____, ____ End: _____, ____				
<b>Performance Obligation and Contract Quantity: (Select One)</b>  <table style="width: 100%; border: none;"> <tr> <td style="width: 33%; vertical-align: top; padding: 5px;"> <b>Firm (Fixed Quantity):</b>                      _____ MMBtus/day  <input type="checkbox"/> EFP                 </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> <b>Firm (Variable Quantity):</b>                      _____ MMBtus/day Minimum                      _____ MMBtus/day Maximum                      subject to Section 4.2. at election of  <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller                 </td> <td style="width: 33%; vertical-align: top; padding: 5px;"> <b>Interruptible:</b>                      Up to _____ MMBtus/day                 </td> </tr> </table>		<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day
<b>Firm (Fixed Quantity):</b> _____ MMBtus/day <input type="checkbox"/> EFP	<b>Firm (Variable Quantity):</b> _____ MMBtus/day Minimum _____ MMBtus/day Maximum subject to Section 4.2. at election of <input type="checkbox"/> Buyer or <input type="checkbox"/> Seller	<b>Interruptible:</b> Up to _____ MMBtus/day		
<b>Delivery Point(s):</b> _____ (If a pooling point is used, list a specific geographic and pipeline location):				
<b>Special Conditions:</b>  _____  _____				
Seller: _____  By: _____  Title: _____  Date: _____	Buyer: _____  By: _____  Title: _____  Date: _____			

**MASTER INTERCONNECT AND MEASUREMENT AGREEMENT**

**THIS MASTER INTERCONNECT AND MEASUREMENT AGREEMENT** is entered into this \_\_\_\_ day of \_\_\_\_\_ 2025, by and between **Peoples Natural Gas Company LLC**, a Pennsylvania limited liability company, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as “Peoples”), and **[PRODUCER]**, a \_\_\_\_\_ [state] \_\_\_\_\_ [type of company], with an office at [ADDRESS] (hereinafter referred to as “Producer”). As used in this Agreement, Peoples and Producer are also referred to individually as a "Party" and collectively as the "Parties.”

**WHEREAS**, Peoples owns and operates certain Gas facilities and pipelines located in the Commonwealth of Pennsylvania (the “Peoples’ System”);

**WHEREAS**, Producer has available certain supplies of Gas which it desires to have delivered onto Peoples’ System;

**WHEREAS**, this Agreement shall supersede, in its entirety, and terminate without cause, any previously executed Agreement(s) between the Parties for the transport and/or purchase of Gas for the Receipt Point(s) identified herein, including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions;

**NOW THEREFORE**, in consideration of the promises and covenants contained herein, Peoples and Producer hereby agree as follows:

**ARTICLE I**  
**PURPOSE AND PROCEDURES**

1.01 **Master Agreement**. This Master Agreement establishes the general terms and conditions under which Producer will deliver Gas onto Peoples’ System at specified Receipt Point(s) through Interconnection Facility(ies), and thereafter the Gas shall either be transported through Peoples’ System or sold directly to Peoples for whatever use deemed necessary and appropriate by Peoples.

1.02 **Exhibits**. The terms and conditions of each particular transaction whereby Producer will deliver Gas onto Peoples’ System at specified Receipt Point(s) shall be included in individual Exhibits (hereinafter “Exhibit” or “Exhibits”). Information contained in the Exhibits shall include, but not be limited to:

- (a) The designation for the transportation or sale of Gas for specific Receipt Point(s);
- (b) The meter number and location at the Receipt Point;
- (c) The time period (hereinafter “Service Term”) during which the Gas is to be sold to Peoples or delivered onto Peoples’ System;
- (d) Applicable prices, rates and associated fees; however, the Parties agree that the Construction and Installation Fees, and any other operation, installation, or maintenance

types of fees addressed in the Master Agreement, shall not be included on the Exhibit and shall instead be identified in separate written format(s), such as an invoice.

1.03 **Appendices and Exhibits as Part of Agreement.** Appendices to the Master Agreement establish additional terms and conditions required as a part of the Master Agreement. The entire agreement between the Parties shall include those provisions contained in the Master Agreement, the Appendices, and any effective Exhibits. The Appendices and each duly executed Exhibit are hereby incorporated into and made a part of this Master Agreement. The provisions of each respective Exhibit shall apply only to the Producer Sales Volume(s) subject to such Exhibit; however, the provisions of this Master Agreement and Appendices shall apply to all volumes in all Exhibits.

## **ARTICLE II** **DEFINITIONS**

2.01 **Definitions.** For the purposes of this Master Agreement, the following terms, when capitalized herein, shall have the meanings set forth below:

- (a) "**Authorizations**" means any and all approvals, permits, licenses, franchises, or other authorizations required by any federal or state governmental authority which are necessary for the performance of a Party's obligations hereunder.
- (b) "**Btu**" means a British thermal unit.
- (c) "**Commission**" means the Pennsylvania Public Utility Commission that regulates the intrastate sales and transportation of Gas.
- (d) "**Construction and Installation Fee**" means the fees charged to Producer for the actual labor, tools, materials, equipment and overhead expenses for the development, design and construction activities relative to completing the New Facilities contemplated by this Master Agreement.
- (e) "**Contract Price**" means, in the instance in which Gas is sold to Peoples by Producer, the price paid for Gas delivered and taken as set forth in any then-effective Exhibit.
- (f) "**Day**" means a period of twenty-four (24) consecutive hours, coextensive with a "day" as defined by the North American Energy Standards Board ("NAESB").
- (g) "**Dekatherm**" means one million (1,000,000) Btus or one MMBtu.
- (h) "**Existing Facility(ies)**" means Producer owned, operated or managed equipment and facilities, including, but not limited to, any measurement equipment transferred from Peoples to Producer pursuant to this Agreement, installed upstream of the Interconnect prior to October 29, 2019 that involve, at a minimum: (i) measurement equipment of whatever type used to determine the Producer Sales Volumes; (ii) any gas quality device of whatever type used to determine the quality of the gas being delivered to Receipt Point(s); (iii) any over-pressure control system of whatever type being used to protect Peoples' System's maximum pressure limitations; and (iv) any and all other equipment and devices installed from Producer's pipeline riser coming out of the ground from Producer's pipeline system through the measurement equipment and to the Interconnect. This term includes all of the above Producer owned, operated or managed equipment and facility(ies) (i) sold or assigned to an affiliated or legally associated company of that producer; or (ii)

required to be moved to another Peoples' pipeline as a result of the abandonment of a Peoples pipeline pursuant to Sections 6.07, 10.17.

- (i) "**FERC**" means the Federal Energy Regulatory Commission or any successor federal agency that regulates, or has the authority to regulate, the transportation of Gas in interstate commerce by pipeline.
- (j) "**Gas**" means a mixture of hydrocarbon and non-hydrocarbon gases that satisfies the requirements of Article IX of this Master Agreement.
- (k) "**Gathering Rate**" means for any Gas delivered by Producer onto Peoples' System at a Receipt Point which is subject to this Master Agreement, Producer shall pay to Peoples a gathering fee as set forth in an Exhibit hereto.
- (l) "**Interconnect**" means the point of connection between the Producer's Existing Facility(ies) or New Facility(ies) and Peoples' System, comprised of the insulator, pipeline extension, riser, and the isolation valves installed downstream of the insulator, all owned by Peoples.
- (m) "**Interconnect Facility(ies)**" means the Producer-owned Existing Facility(ies) and New Facility(ies) connected to Peoples' System at the Interconnect in accordance with the Master Agreement as amended from time-to-time.
- (n) "**Mcf**" means one thousand (1,000) cubic feet of Gas.
- (o) "**MMBtu**" means one million (1,000,000) Btu's or one Dekatherm.
- (p) "**Modification to an Existing Facility**" means any non-emergency replacement, upgrade or downgrade on Existing Facility(ies).
- (q) "**New Facility(ies)**" means Producer owned, operated or managed equipment and facilities (i) installed upstream of the Interconnect after October 29, 2019 through which Producer will deliver Gas onto Peoples' System at specified Receipt Point(s) and (ii) approved, designed, constructed and operated as set forth in herein, including any Existing Facility(ies) sold or assigned to a non-affiliated party of Producer or a party with whom Peoples does not have a current master interconnection and measurement agreement with Peoples.
- (r) "**Peoples Approved Vendor**" means any vendor Peoples has approved to provide the services required by the Master Agreement to be performed on behalf of the Producer by an independent contractor to comply with the Master Agreement; a list of approved vendors is posted on Peoples website, which list may change from time-to-time.
- (s) "**PIOGA**" means the Pennsylvania Independent Oil & Gas Association, its successors and assigns.
- (t) "**Producer**" is the owner, operator, or agent for the underlying well(s), meter(s), and gathering system(s) that deliver gas to the Receipt Point(s). Producer is authorized to execute this Agreement, on behalf of its various investors, partners, and/or owners.

- (u) **“Producer Sales Volume(s)”** means the volume(s) of Gas measured at and credited to the Producer’s Receipt Point(s) for the Production Period as determined and reported to Peoples by the Producer Chart Process, or as measured in accordance with Section 10.11.
- (v) **“Production Period”** means a span of approximately thirty (30) days, which may or may not conform to the calendar month, during which time Producer’s Gas will be measured for delivery and purchase payment purposes. Production Periods shall be identified by the name of the month in which the period ends.
- (w) **“Production Statement”** means the statement generated each calendar month by Peoples that details the Production Period and, for each Receipt Point, Producer Sales Volume(s) in Mcfs and MMBtus.
- (x) **“Receipt Point(s)”** means the point(s) of receipt, or meter(s), of Producer’s supplied Gas as set forth in the Exhibit specific to said point of receipt.
- (y) **“Retainage Percentage”** means, for any Gas delivered by Producer onto Peoples’ System at a Receipt Point which is subject to this Master Agreement, Peoples shall withhold a retainage percentage as set forth in an Exhibit hereto.

### ARTICLE III

#### **APPLICATION FOR NEW FACILITIES AND MODIFICATION TO EXISTING FACILITIES**

3.01 **Application/Notification.** Producer shall submit to Peoples in writing the application for connecting a New Facility, and a notification request for any Modification to an Existing Facility.

3.02 **Application to Connect New Facility.** Within the application for connection of a New Facility, the Producer shall provide accurate information to Peoples concerning the following: (i) the location of the proposed connection utilizing the latitude and longitude coordinates on a USGS map; (ii) well plats, if applicable; (iii) the proposed maximum allowable operating pressure of the Producer’s gathering line that will feed into the Receipt Point; (iv) the desired date for completion of the connection; (v) the Producer’s estimated maximum, minimum and average amount of Gas to be delivered through the connection on a daily basis; (vi) the source of Gas; (vii) the Producer’s estimated maximum, minimum and average receipt pressure through the connection; and (viii) any other information required by Peoples for the specific connection, including, but not limited to, Gas quality and odor intensity test results.

3.03 **Consideration of Application to Connect New Facility.** Peoples shall respond to the feasibility of Peoples’ System’s accepting delivery of Gas through the proposed New Facility connection and whether the application is approved, rejected or requires additional information or consideration. If the application is approved, Producer shall advance the application according to Article IV. If the application is rejected, Peoples shall explain the reason(s) for the rejection and may suggest alternatives that may, in Peoples’ commercially reasonable discretion, be acceptable to Peoples, and Producer shall respond to the alternatives. If the application is acceptable but requires additional information or consideration, Peoples shall specify the additional information that, in Peoples’ commercially reasonable discretion, may be required or the concerns requiring additional consideration for approval, and Producer shall provide the additional information or address the concerns requiring additional consideration. Thereafter Peoples shall approve the application if (1) its concerns have been satisfied and (2) no material changes in System conditions have occurred which would render the application no longer acceptable to Peoples.

3.04 **Modification to Existing Facilities.** Producer shall provide notice of Modification to an Existing Facility which shall include the current Peoples’ meter station name, PO # being utilized to identify

the existing Interconnect, and the details of the Modification. Provided the Modification is in accordance with the conditions in this Agreement and such Modification does not cause operational, safety or service-related concerns, as determined by Peoples using commercially reasonable discretion, Peoples shall approve the Modification by providing written notice to Producer.

**ARTICLE IV**  
**INTERCONNECT DESIGN, INSTALLATION, ACTIVATION AND MAINTENANCE**

4.01 **New Facility Design Specifications.** After approval of an application a for a New Facility connection, Producer shall submit to Peoples, for approval, the complete design, specifications and construction plans for the proposed New Facility. Producer agrees to make those changes to such design and construction plans as Peoples, in its commercially reasonable discretion, believes are necessary for the safe and reliable delivery of Gas into the Peoples' System. If the plans are approved, Peoples' response shall provide the Producer with the construction date when Peoples will endeavor to make the tap onto Peoples' System. If the plans require modification, Peoples shall specify the modifications that Peoples, in its commercially reasonable discretion, believes are necessary for the safe and reliable delivery of Gas into the Peoples' System. Producer shall resubmit the plans that address the modifications that Peoples requests and Peoples shall respond whether the resubmitted plans are approved or denied.

4.02 **Equipment Requirements for New Facility.**

- (a) The New Facility shall be comprised of equipment that includes: (i) Gas measurement equipment; (ii) two forms of overpressure protection; (iii) certain interconnect piping facilities including a check valve and an insulated/welded tie-in connection; and (iv) such other equipment as may be required by Peoples at the New Facility. Peoples shall specify the type of equipment to be provided by Producer and Producer shall not install any non-Peoples approved equipment at the New Facility. The minimum engineering and technical specifications for the New Facility are further detailed in Appendix A.
- (b) Unless waived in writing by Peoples, all costs associated with the New Facility shall be the Producer's responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee. If Producer does not remit payment for the Construction and Installation Fee within thirty (30) days after receiving Peoples' invoice for same, then Peoples may, at its sole option, shut-in the Interconnect until payment is made and may require all future payments for other operation, installation, or maintenance related work to be made in advance.

4.03 **New Facility Construction.** Scheduling of installation of the New Facility must be coordinated with Peoples. No New Facility construction shall commence until Producer has satisfied all of its prerequisite obligations under this Master Agreement and Peoples has notified Producer in writing that construction may commence. Producer and Peoples shall coordinate the construction of their respective facilities (New Facility and Interconnect).

4.04 **Activation of New Facility and Interconnect.** Producer shall notify Peoples in writing that Producer is ready to activate the New Facility and Interconnect. Activation of the New Facility and Interconnect shall be contingent upon readiness of Peoples, Peoples' acceptance of Gas analysis results as submitted by Producer, and completion of construction as specified and agreed upon by and between Peoples and Producer. Peoples shall have the right to conduct a separate Gas analysis for verification purposes. Peoples and Producer shall coordinate the installation, testing, and physical final tie-in to Peoples' System: Peoples shall perform the physical tie-in and Producer shall set the meter and commence the flow of Gas. Peoples shall develop all operations associated with purging the meter set and piping into

service and, after physical tie-in, coordinate and oversee all such operations. After completion of all such operations, the New Facility and Interconnect shall be activated.

4.05 **Commencement of Operation of New Facility and Interconnect.** Producer shall notify Peoples, in writing, when the New Facility and Interconnect is complete, tested, and ready for operation. Unless otherwise indicated, deliveries of Gas through the New Facility and Interconnect may commence as soon after activation as all Authorizations have been granted, the requisite documents have been submitted, and Producer has satisfied the terms and conditions of this Master Agreement.

4.06 **Debris and Obstructions.** At all times, Producer's New Facilities and Existing Facilities shall be cleared of all debris and obstructions.

4.07 **Maintenance.** Producer is responsible for, and shall assume the initial costs of landscaping, sign posting, painting, and final, post-construction cleanup at and around the New Facility.

4.08 **Identification.** A meter set identification sign shall be posted at each New Facility, and if not already done so, at each Existing Facility location. The sign shall, at a minimum, list the name of the Producer and the telephone number (including area code) where the Producer, or its operator, can be reached at all times (i.e., emergency contact number). Producer shall be responsible to replace and/or update the notification information as it changes, from time-to-time.

4.09 **As-built Drawings.** If requested by Peoples, Producer shall develop an "as-built" location drawing of the New Facility. The "as-built" drawing shall include all equipment from the inlet side of the Gas measurement equipment to the tie-in with Peoples' System. This detailed drawing shall include centerline measurements, valve, regulator, meter identification, pipe size(s) and type(s), and telemetering details. Producer shall provide a copy of this drawing (AutoCAD format) to Peoples, upon request. Upon request, Producer shall provide an "as-built" location drawing of any Existing Facility, when Peoples determines that such drawing is needed, in its commercially reasonable discretion, to rectify operational, safety or service-related concerns.

4.10 **Telemetry.**

(a) For a New Facility electronic Gas measurement and communications equipment installed as part of the New Facility shall include equipment for monitoring, recording, and transferring data deemed essential by Peoples. Producer shall acquire, install and pay the on-going operating expenses for the electronic Gas measurement and communications equipment to provide Peoples, at a minimum, real-time information related to pressure, temperature, Gas flow and Gas quality (i.e., chromatograph) provided however that for any Receipt Point with a daily volume below 1,000 mcf/day, Producer may request an exception to the telemetry requirement. Upon receiving such request, Peoples and Producer shall engage in a good faith discussion to determine if alternative(s) to telemetry equipment are available.

(b) For an Existing Facility, electronic Gas measurement and communications equipment shall be required when Peoples provides at least sixty (60) days advance notice to Producer detailing required modifications to the existing telemetry equipment, if any, which are required, as determined by Peoples' commercially reasonable discretion, to rectify operational, safety or service-related concerns. In which case, the telemetry equipment shall be modified to include equipment for monitoring, recording, and transferring data deemed essential by Peoples. Producer shall acquire, install and pay the on-going operating expenses for the electronic Gas measurement and communications equipment to provide Peoples, at a minimum, real-time information related to pressure, temperature, Gas flow and Gas quality

(examples of such equipment shall include, but not be limited to a chromatograph or in-line moisture analyzer).

## **ARTICLE V** **FACILITIES OWNERSHIP**

5.01 **Peoples' Facilities.** Peoples shall own, and Peoples or its designee shall design, install, operate, and maintain, all facilities and equipment on the downstream side of the isolation valve which connects the Peoples' System to the Producer's New Facility or Existing Facility as more specifically described in the Appendices and on the Typical Gas Purchase Meter Set drawing, a copy of which is maintained on the Peoples' producer services section of its website.

5.02 **Producer's Facilities.** Producer shall own, and Producer or its designee shall design, install, operate, and maintain all facilities and equipment upstream of the Interconnect. The location and positioning of the New Facility or Existing Facility shall be in accord with Peoples' standard design specifications as more specifically described in the Appendices and on the Typical Gas Purchase Meter Set drawing, a copy of which is maintained on the Peoples' producer services section of its website.

## **ARTICLE VI** **INTERCONNECTION OPERATIONS**

6.01 **Gathering Obligations.** Peoples will receive Gas from Producer at the Receipt Point, provided that if any person or entity besides Producer is flowing Gas through the Interconnect, all such persons or entities utilizing the Interconnect have entered into valid agreements with Peoples. Peoples shall receive Gas from the Receipt Point and permit that Gas to flow against the existing pressure in Peoples' facilities. Peoples shall not be obligated to lower existing line pressure by compression or otherwise to accommodate receipts from the point of interconnection. As set forth elsewhere in this Agreement, it is expressly understood that Peoples may restrict the flow or discontinue the taking of Gas temporarily. Peoples shall not be obligated to add any facilities or expand the capacity of its pipeline system in any manner in order to provide the services hereunder. Nothing in this Master Agreement or any applicable Exhibit shall limit Peoples' right to interrupt service or to take other action on a non-discriminatory basis as may be required to alleviate conditions which threaten the integrity of its system.

6.02 **Environmental Responsibility.** Each Party represents that no hazardous substance as that term is defined in the Federal Comprehensive Environmental Response Compensation Liability Act (CERCLA), petroleum or petroleum products, "asbestos material" as that term is defined in 40 CFR 61.41 (1987), polychlorinated biphenyls (PCBs), or "solid waste" as that term is defined in the Federal Resource Conservation Recovery Act (RCRA), will be leaked, spilled, deposited or otherwise released by either Party on the other Party's property. In the event that any of said above referenced materials are discovered on said property, each Party shall immediately notify the other Party of the discovery and existence of said materials. In the event of either Party's breach of the representations contained in this section, the full responsibility for the handling, remediation, treatment, storage or disposal of any such hazardous substance, petroleum or petroleum product, asbestos material, PCBs or solid waste discovered on said property, including the handling of such materials in compliance with all environmental laws including federal, state and local laws, rules and regulations, shall remain with such Party and such Party shall indemnify the other Party for any loss, injury, theft, damage to persons or property, or fines, penalties or compliance order issued by any governmental agency relating to pollution or protection of the environment including without limitation, laws and regulations relating to emissions, discharges, releases or threatened releases of

chemicals, pollutants, contaminants, waste petroleum, toxic substances and hazardous substances occurring on said property. This section shall survive the termination of this Master Agreement.

6.03 **Facility Improvements.** Peoples retains the unilateral right to change the operations of its System and/or upgrade its System; provided, however, that such changes must be consistent with good utility practices and not violate local, state or Federal requirements. Such operational changes may require the adjustment and/or addition of equipment to an Existing Facility or a New Facility by the Producer in order to maintain delivery of Gas volumes; the cost of such adjustment and/or addition of equipment will be borne entirely by the Producer.

6.04 **Peoples Shut-in of Interconnect.** Peoples retains the unilateral right to immediately shut-in or cause Producer to shut-in any Interconnect that, in Peoples' sole judgment, using commercially reasonable discretion, threatens the integrity and safe operation of Peoples' System. Additionally, if Peoples is purchasing the Gas from a particular Receipt Point, upon thirty (30) days advance written notice, Peoples may shut-in or cause Producer to shut-in that Receipt Point for economic reasons. As soon as possible after the threat to the integrity and safe operation of the system, or that the economic reasons no longer exist, Peoples will use best efforts to limit flows of transmission or pipeline supplemental volumes to give conventional production flow-preference.

6.05 **Producer Shut-in and Discontinuance.**

- (a) Producer shall not shut-in or discontinue delivery of Gas at any Receipt Point, excepting that the shut-in or discontinuance of gas delivery is caused by an emergency or other unplanned event, without first obtaining Peoples' consent, which consent will not be unreasonably withheld, but may be conditioned in the event the shut-in or discontinuance of the Gas delivery may, as determined by Peoples using commercially reasonable discretion, result in an operational, safety or service related concern on Peoples' System.
- (b) Producer shall provide thirty (30) days advance notice to Peoples of its intention to shut-in or discontinue delivery of Gas at any Receipt Point, after which notice the Parties shall engage in a good-faith discussion to determine if Peoples consent must be conditioned or withheld. If the shut-in or discontinuance is caused by an emergency event, Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event.
- (c) If a shut-in occurs, Peoples shall have the right to remove its facilities at the Interconnect Point and terminate the Exhibit governing that Receipt Point, only after Peoples has communicated the cause, and the Producer is given a good-faith opportunity to propose a remedy and resolve the issue within a timeframe acceptable to Peoples.

6.06 **Notice of Interruption of Gas Delivery at Receipt Point.**

- (a) Peoples shall be notified of any and all repairs, changes, or other actions that may result in any interruption or discontinuance of Gas delivery at a Receipt Point as set forth in this paragraph. Unless caused by an emergency event, Producer shall advise Peoples in writing at least five (5) business days before taking the Receipt Point out of service for repairs or for any other reason that is anticipated to last more than seven calendar (7) days. When an emergency event occurs at the Receipt Point Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event. After Producer has completed all repairs to the Receipt Point or is otherwise prepared to resume delivery of Gas at the Receipt Point, Producer shall immediately reconnect the Receipt Point to Peoples' System and resume service, subject to ten (10) days' advance notification to Peoples, provided that

the notice may be less than ten (10) days, however, Peoples may require the full ten (10) days to arrange for the reinstated flow of Gas through the Receipt Point.

6.07 **System Abandonment.** In the event Peoples should ever abandon, retire or cease to operate, in whole or in part, facilities used to purchase and/or transport Gas on a system-wide basis, or throughout a geographic portion of its system, (as opposed to one-off facility abandonments that are addressed in subsection 10.17(c)), Peoples shall advise the Producer(s) of the abandonment, retirement or cessation of operation as soon as reasonably practicable. Peoples may, in its commercially reasonable discretion, either terminate this Master Agreement, or terminate an Exhibit specific to the Receipt Point(s) impacted, upon at least ninety (90) days' written notice to Producer. During such ninety (90) day period, Peoples and Producer shall continue to engage in good-faith discussions, if so requested by Producer, to reasonably assist Producer in locating alternative delivery points for the Gas flowing through the impacted Receipt Point(s).

## **ARTICLE VII**

### **OPERATIONAL COSTS AND PAYMENTS TO BE BORNE BY PRODUCER**

7.01 **Gas Quality and Monitoring Costs.** Producer agrees to install, operate and keep in efficient operating condition, at Producer's own expense, the equipment necessary to insure that the gas delivered from each well hereunder meets the gas quality and other operational standards and requirements contained in this Master Agreement, Producer also agrees to install, own, operate and keep in efficient operating condition, equipment necessary, including, but not limited to, Type OSE Slam-Shut Valves if required by Peoples, to avoid excessive pressure in Peoples' and/or Producer's line. Producer shall be solely responsible for all costs and charges associated with monitoring, ensuring and maintaining the quality of Gas delivered into Peoples' System to meet the requirements in Article IX and all costs associated with quality remediation for Gas that does not meet those requirements. Peoples shall have access to Producer's Interconnect Facility and shall have the right, but not the obligation, to operate such Facility in the event Peoples determines, using commercially reasonable discretion, that its operation is required to prevent or alleviate operational, safety or service related concerns on Peoples' System; in such event, Peoples shall provide notice to the Producer of such operation as soon as practical and in-advance, when reasonable. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of Peoples' access or operation of the Facility.

7.02 **Producer Interconnect Facilities Costs.** Producer shall be solely responsible for all costs and charges associated with monitoring, ensuring and maintaining the safe and reliable operation of pipeline, measurement, compression, regulation, dehydration, and any other appurtenant equipment associated with the Interconnect Facilities, which are upstream of the Interconnect. Peoples reserves the right to refuse receipts and/or deliveries through the Interconnect if Peoples, in its sole judgment, using commercially reasonable discretion, deems the operation of these facilities to threaten the safety or reliability of the Peoples' System.

7.03 **Royalty Payments.** Producer shall be solely responsible for all royalty, overriding royalty, and working interest payments attributable to Gas delivered to Peoples under this Master Agreement. In no event shall Peoples be obligated to make any royalty, overriding royalty, or working interest payments for Gas purchased under this Master Agreement.

## **ARTICLE VIII**

### **ADDITIONAL WELLS**

8.01 **Completion of Wells.** No well shall be added to any existing Receipt Point(s) without first obtaining the prior written consent of Peoples. All requests for new well additions shall be accompanied by a well plat, completion report, estimated flow rate and Gas quality sample, at the meter, and/or at the new well location, to evaluate the feasibility of adding the Gas deliveries from the new well to the existing Receipt Point(s). Peoples reserves the right, at its sole discretion, to request other information to inform its evaluation concerning the new well.

8.02 **Introduction of Well Gas.** At the time of introduction of Producer's well Gas into Peoples' System, a Peoples' representative shall operate the valves at the meter. During this operation, Producer and Peoples shall provide experienced personnel at the meter site.

8.03 **Producer's Facilities.** Producer shall promptly furnish the pipe and shall construct and place in operation a suitable gathering pipeline to connect those wells currently or subsequently included under this Master Agreement to Peoples' System at the Receipt Point(s). Producer's meter site shall be cleared of all debris and obstructions before it is connected at the Receipt Point(s). Producer shall install all drips complete with automatic shut off and other devices necessary to separate fluids from the Gas in Producer's gathering pipelines. Producer shall operate such drips and other devices so that all Gas delivered under this Master Agreement will meet at all times Peoples' gas quality specifications set forth in Article IX or Peoples' transporter's gas quality specifications. Peoples shall have access to such drips and other devices at the meter site and shall have the right, but not the obligation, to operate such drips and other devices in the event Peoples determines, using commercially reasonable discretion, that its operation is required to prevent or alleviate an operational, safety or service related concerns on the Peoples system; in such event, Peoples shall provide notice to the Producer of such operation as soon as practical.

8.04 **New Well Costs.** Producer shall be solely responsible for all costs associated with drilling, operating, and connecting new wells including, but not be limited to, hook-up fees; usage fees; all costs associated with the construction of gathering lines, tie-in lines, drip lines, measurement, compression, regulation and connection facilities; and all costs attributable to rentals, except as otherwise provided in this Master Agreement.

8.05 **General.** The wells located upstream of Receipt Point(s) shall remain continuously connected to Producer's gathering lines for production deliveries, except to the extent that disconnection is required for well repairs. Producer's Gas which is governed by an Exhibit A for the purchase of Gas cannot be diverted to other buyers without the express written consent of the Peoples, which consent shall not be unreasonably withheld, but may be conditioned in the event the deviation of gas may, as determined by Peoples using commercially reasonable discretion, result in an operational, safety or service related concern on the Peoples system. Producer shall provide ninety (90) days advance notice to Peoples of its intention to divert gas from upstream wells to other buyers; after which notice the Parties shall engage in a good-faith discussion to determine if Peoples consent must be conditioned or withheld. Producer shall operate such wells in a reasonable and prudent manner at all times and shall keep such wells in good condition in order to ensure the gas delivered onto the Peoples system meets the requirements and standards set forth in this Agreement, including any Appendixes, Exhibits, Addendums, Schedules and Amendments.

8.06 **Timing of Well Repairs.** To the extent possible, Producer shall make all necessary well repairs between May 1 and October 31 of the calendar year.

8.07 **Notice of Well Repairs.** Unless caused by an emergency event Producer shall advise Peoples in writing at least five (5) business days before taking any well located upstream of Receipt Point(s) out of production for repairs which are anticipated to last for more than seven calendar (7) days. When an emergency event occurs which impacts the availability of the Receipt Point, Producer shall notify Peoples as quickly as possible, but in no event more than 24 hours after the event. After Producer has completed

all repairs, Producer shall immediately reconnect the well and resume production, subject to authorization for turn-in by Peoples' field personnel.

**ARTICLE IX**  
**PRESSURE, GAS QUALITY AND HEATING VALUE**

9.01 **Regulation.** Peoples may require regulation and shall require over-pressure protection at the Receipt Point(s) under this Master Agreement. Such regulation shall maintain delivery pressures suitable to pressures in Peoples' System. Peoples shall specify and/or approve the type of regulators to be used and shall specify pressure ranges, and operating settings. All costs associated with such equipment, including installation costs, shall be the Producer's responsibility and any such costs paid by Peoples shall be reimbursed by Producer through the Construction and Installation Fee.

9.02 **Compression.** Producer shall not use any mechanical means or accessory equipment to pump or compress Gas to aid its delivery into Peoples' System without first obtaining and executing the Peoples' standard Compression Agreement.

9.03 **Pressure in Peoples' System.**

- (a) Peoples makes no representations concerning the pressure that will be maintained in its pipeline system from time-to-time, or any other factors, which may affect the quantity of Gas that Producer may be able to deliver to Peoples. Subject to Section 6.03 Peoples has the right to upgrade, when necessary, pipeline operating pressures with no obligation to Producer other than providing notification of such matters.
- (b) Although regulators are part of Producers' Interconnect Facilities and therefore owned by Producers, Peoples shall operate these regulators as provided by this Master Agreement. Accordingly, Peoples shall indemnify and hold harmless Producers for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the regulators when setting the maximum allowable pressure set points within the Interconnect Facilities. Peoples shall replace, fix and repair, at its cost, any portion of Producers' Interconnect Facilities that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating the regulators within the Facilities.

9.04 **Gas Quality.** All Gas delivered through an Interconnect into Peoples' System shall at all times meet or exceed the Gas quality specifications set forth in Appendix B hereto, as well as any quality and heat content requirements established by the operator of the downstream pipeline system(s) on which the Gas is ultimately transported.

9.05 **Siloxane.** All Gas delivered through an Interconnect into Peoples' System that includes Gas from landfill well(s) or gathering lines fed by landfill gas sources shall at all times meet, or exceed, the Gas quality siloxane specifications set forth in Appendix B hereto, as well as any siloxane specifications established by any operator of the downstream pipeline system(s) on which the Gas is ultimately transported. Before Peoples permits any flow of any amount of Gas into the Peoples' system, Producer shall provide Peoples with a certified siloxane analysis from a Peoples-approved agency denoting that the Gas proposed to be delivered into Peoples' System meets and/or exceeds those requirements. Peoples shall require monthly siloxane analysis tests performed by the Producer and timely submitted to Peoples. Peoples shall have the right to witness siloxane sampling and witness custody of that sample from source to destination. In the event Producer does not provide siloxane analysis, Peoples reserves the right to shut-in the Interconnect until said analysis is provided.

In the event Producer Gas quality, including, but limited to, siloxane causes damage to Peoples System, equipment, downstream pipeline, downstream equipment, downstream customer pipeline and/or downstream customer equipment, the Producer will be responsible for all costs to remedy the damage upon documentation proving Producer has caused the damage.

9.06 **Temperature.** Gas delivered through an Interconnect into Peoples' System shall not exceed 100° F. Gas having a temperature greater than 100° F may be delivered into Peoples' System only upon prior written approval by Peoples.

9.07 **Gas Taken and Co-mingled.** Peoples shall accept Gas taken and measured at the Receipt Point(s) in accordance with this Master Agreement. Such Gas shall be taken in its natural state, except as otherwise provided in this Master Agreement, subject to any modification thereof required by this Master Agreement, at the pressure of the Gas flowing from Producer's pipelines into Peoples' System, against the varying pressures from time to time maintained therein.

## **ARTICLE X MEASUREMENT**

### **10.01 Measurement Equipment.**

- (a) Gas delivered to or received from Peoples' System through the Interconnect shall be measured at a site satisfactory to Peoples using measurement equipment designated by Peoples and owned by Producer. The requirements in this Section 10.01 shall not apply to any Existing Facility, unless the meter is nonfunctioning or inaccurate which requires Producer to immediately self-shut-in until the meter is replaced or Peoples provides at least sixty (60) days advance notice to Producer detailing modifications to the existing Interconnection Facilities which are required, in Peoples' commercially reasonable discretion, to rectify accuracy, operational, safety or service related concerns.
- (b) The measurement facilities will be required to use electronic gas measurement (EGM), and the Producer is required to forward monthly EGM item trail(s) and audit trail(s) to one of Peoples' approved integration companies (which list of approved companies shall be maintained on the Peoples website) by the 28<sup>th</sup> of the month. The integration company will forward corrected volume(s) to Peoples once a month for processing of credit/payment. Producer is required to use the same integration company for both volume collection and meter testing.
- (c) The measurement equipment for New Facilities shall be designed, installed, operated, maintained and owned by: (i.) Producer; or (ii.) Producer's designee as set forth in the Appendices. Producer is responsible for maintaining the accuracy of the measurement equipment and shall do so according to the Annual Measurement Equipment Testing requirement in Appendix B, Section 1.07. If Peoples determines, using commercially reasonable discretion, the measurement equipment is not accurate, Peoples may shut in the Interconnect until Producer corrects the deficiency. If repeated defects occur, Peoples reserves the right to shut in the Interconnect indefinitely. At any time after the termination of an Exhibit, Peoples shall have the right to remove its Interconnect facilities associated with the Receipt Point(s) identified in the terminated Exhibit. Producer shall be solely responsible for and shall bear the full costs of delivering Gas to the Receipt Point(s). Producer shall not modify the measurement equipment without the prior written consent of Peoples.

10.02 **Pipeline Safety.** Producer agrees to operate, maintain, test, and repair the meter set as a prudent operator in accordance with 49CFR DOT Part 192, PAPUC Chapter 59, and all other applicable state regulations and requirements, applicable industry codes and standards at Producer's expense.

10.03 **Check Measurement.** Producer may install, maintain and operate, at its sole cost and expense, check measuring equipment; provided, however, that such equipment shall be installed in a manner that will not interfere with the operation of the measuring equipment required by this Master Agreement.

10.04 **Orifice Meters.** Orifice meters installed in such measuring stations shall be constructed and operated in accordance with American National Standard Institute ("ANSI") standards, American Petroleum Institute ("API") 2530, American Gas Association ("AGA") AGA Report No. 3, Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent modifications and amendments thereto.

10.05 **Positive Displacement Meters.** Positive Displacement Meters installed at the measurement site shall be constructed and operated in accordance with provisions of AGA Measurement Committee Report No. 6 (AGA Report No. 6) dated January 1971 and any subsequent amendment or revisions thereto.

10.06 **Turbine Meters.** Turbine Meters installed at the measurement site shall be constructed and operated in accordance with the provisions of AGA Measurement Committee Report No. 7 (AGA Report No. 7), First Revision, dated November 1984, and any subsequent modifications and amendments thereto.

10.07 **Ultrasonic Meters.** Ultrasonic Meters installed at the measurement site shall be constructed and operated in accordance with the provisions of AGA Measurement Committee Report No. 9 (AGA Report No. 9), dated June 1998 and any subsequent modifications and amendments thereto.

10.08 **Electronics.** When and where electronic equipment and flow computers are installed at the measurement site, the Gas may have its volume, mass and/or energy content determined and computed in accordance with the applicable industry standards including, but not limited to, API 21.1, AGA Report Nos. 3, 5, 6, and 7 and any subsequent modifications and amendments thereto.

10.09 **Testing and Calibration:**

- (a) Peoples shall have the right, at any time, to verify the accuracy of measurement equipment beyond the Producer Annual Measurement Equipment Testing requirements in Appendix B, Section 1.04, on all Receipt Points used in the measurement of Gas hereunder and shall do so at its expense. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the measurement equipment when verifying the accuracy of the measurement equipment. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facilities that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of verifying the accuracy of the measurement equipment within the Facilities. Producer may request a special test be performed as described in Section 10.10 below.
- (b) If during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate through each meter run in excess of two percent (2%) of the correct flow rate (whether positive or negative and using the correct flow rate as the percent error equation denominator), then any previous recording of such equipment shall be corrected to zero error in computing deliveries for any period during which the error existed (and which is either known

definitely or agreed to by both Parties) and the total flow for the period predetermined in accordance with the provisions of Section 10.11 below. If the period of error cannot be determined or agreed upon between the Parties, such correction shall be made over a period extending over the last one-half (1/2) of the time elapsed since the date of the latest test, not exceeding a correction period of six (6) months.

- (c) If, during any test of the measuring equipment, an adjustment or calibration error is found which results in an incremental adjustment to the calculated hourly flow rate which does not exceed two percent (2%) of the adjusted flow rate (as described in part (b) of this Section), all prior recording shall be considered to be accurate for quantity determination purposes.
- (d) All equipment shall, in any case, be adjusted at the time of the test to record correctly.

10.10 **Special Test.** In the event Producer desires a special test (a test not scheduled by Peoples under the provisions of subsection 10.9(a) above) of any measuring equipment, seventy-two (72) hours advance notice in writing shall be given to Peoples, and both Parties shall cooperate to secure a prompt test of the accuracy of such equipment. If the measuring equipment tested is found to fall under the provisions of Paragraph 10.9(b) above or if an inspection of the primary measurement equipment indicates no problems, Peoples shall have the right to bill Producer for the cost of such special test including any labor, and other costs pertaining to such special test and Producer shall pay such costs.

10.11 **Measuring Adjustment.** If, for any reason, any measurement equipment is: (i) out of adjustment; (ii) out of service; or (iii) out of repair, and the total calculated hourly flow rate through each meter run is found to be in error by an amount of the magnitude described in subsection 10.9(b) above, the Producer Sales Volume(s) may be determined by Peoples in accordance with the first of the following methods which is, in Peoples' sole opinion, feasible:

- (a) by using the registration of any mutually agreeable check metering facility, if installed and accurately registering (subject to testing as described in subsection 10.9(a) above);
- (b) where parallel multiple meter runs exist, by calculation using the registration of such parallel meter runs; provided that they are measuring Gas from upstream and downstream headers in common with the faulty metering equipment, are not controlled by separate regulators, and are accurately registering;
- (c) by correcting the error by re-reading of the official charts, or by straightforward application of a correction factor to the quantities recorded for the period (if the net percentage of error is ascertainable by calibration, tests or mathematical calculation); or
- (d) by estimating the quantity, based upon deliveries made during periods of similar conditions when the meter was registering accurately.

Peoples will not be required to use check measurement, parallel measurement, re-read charts or estimates for more than three (3) consecutive billing periods. If Producer fails to fix the measurement equipment, Peoples may, at its discretion, upon advance notice, cause the shut in of the Interconnect. Failure to shut in will result in no credit for Gas delivered through a Receipt Points that is not recording for more than three (3) consecutive billing periods.

The estimated readings or deliveries so determined shall be used in determining the Producer Sales Volumes delivered for any known or agreed upon applicable period. In case the period is

not known or agreed upon, such estimated deliveries shall be used in determining the quantities of Gas delivered hereunder during the latter half of the period from the date of the immediately preceding test to the date the measurement equipment has been adjusted to record accurately. The recordings of the measurement equipment during the first half of said period shall be considered accurate in computing Producer Sales Volumes.

10.12 **Measurement Corrections.** If an error is discovered in the Producer Sales Volumes, such error shall be adjusted within thirty (30) days of the determination thereof; provided, however, that any claim for adjustment shall be made within twenty-four (24) months of the Production Period in which the claimed error occurred. Such time limits shall not apply in the case of a deliberate act of omission or misrepresentation, or mutual mistake of fact.

10.13 **Termination.** If in Peoples' reasonable judgment, the Producer has tampered with the measurement equipment so as to misrepresent the actual volume of Gas delivered through the Receipt Point, Peoples has the right to immediately shut-in the Interconnect Facility for an indefinite period of time. The Interconnect will remain shut-in until Peoples and Producer reach an agreement as to the most accurate Producer Sales Volumes during the period in question and the Producer provides restitution to the satisfaction of Peoples. If Peoples determines, using commercially reasonable discretion, that measurement equipment has been tampered with by Producer, Peoples reserves the right to remove its facilities at the Interconnect and, in its commercially reasonable discretion, terminate this Master Agreement and any other agreement(s) between Producer and Peoples, or any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to Delta Natural Gas Company, Inc.

10.14 **Data and Records Retention.** Peoples and Producer shall retain and preserve for a period of at least two (2) years all measurement data, original test data, charts, and other similar records, in such Party's possession and shall provide requested documentation to the other Party upon thirty (30) days' written notice.

10.15 **Volume and Quality Determination.** The measurement of the quantity and quality of all Gas received and delivered hereunder shall be conducted in accordance with the following:

- (a) **Unit of Volume.** The unit of volumetric measurement shall be a standard cubic foot of Gas at a pressure base of fourteen and seventy-three hundredths (14.73) pounds per square inch absolute, a temperature base of sixty degrees (60°) Fahrenheit (five hundred twenty degrees (520°) absolute) and without adjustments for water vapor. The unit of volume for measurement shall be one (1) cubic foot of Gas. To determine the Gross Heating Value of the unit of volume, such measured volumes will be converted to Mcf by multiplying by 1,000 and then, at the Company's discretion, multiplied by either (i) the Company's system average MMBtu/Mcf factor if the Receipt Point heat value has not been determined or (ii) the Receipt Point's Gross Heating Value per thousand cubic foot determined by a Gas sample analysis or Gas chromatograph to determine the MMBtus received, delivered and credited as the Producer Sales Volume at the Receipt Point hereunder. The Parties agree that nothing in this Master Agreement shall preclude either Party from proposing a modification to the unit of volume components defined herein in a future purchase Gas cost proceeding at the Commission.
- (b) **Orifice Meter Volume Computations.** Computations of Gas Volumes from measurement data shall be made in accordance with ANSI/API2530 (AGA Report No. 3), Orifice Metering of Natural Gas and Other Related Hydrocarbon Fluids, Second Edition, dated September 1985, and any subsequent amendments or revisions.

- (c) Positive Displacement Meter Volume Computation. Computation of Gas Volumes from data shall be in accordance with the AGA Measurement Committee Report No. 6 (AGA Report 6), dated January 1971, and any subsequent amendments or revisions.
- (d) Turbine Meter Volume Computations. Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 7 (AGA Report 7), First Revisions, dated November 1984, and any subsequent amendments or revisions.
- (e) Ultrasonic Meter Volume Computations. Computations of Gas Volumes from data shall be in accordance with AGA Measurement Committee Report No. 9 (AGA Report 9), dated June 1998, and any subsequent amendments or revisions.
- (f) Electronic Devices and Flow Computers Volume Computations. Computation of Gas Volumes from data or devices shall be in accordance with API 21.1, AGA Measurement Committee Report Nos. 3, 5, 6, and 7 and any subsequent amendments or revisions.
- (g) Assumed Atmospheric Pressure. In connection with the use of any type of measuring device, an atmospheric pressure of fourteen and four tenths (14.4) pounds per square inch shall be assumed, with no allowance for variation in atmospheric pressure. The flowing Gas temperature may be recorded at Peoples' discretion. In the absence of a flowing Gas temperature recorder, a temperature of sixty degrees (60°) Fahrenheit will be assumed.
- (h) Gross Heating Value. At least yearly, the Gross Heating Value of the Gas stream at each Receipt Point hereunder shall be determined by calculating the Gross Heating Value from an in-line chromatograph or a Gas analysis of a spot or continuous Gas sample except that for Receipt Point(s) with daily volumes below 1,000 mcf/day, the Gross Heating Value determination shall be required every five (5) years after the initial determination. The spot or continuous sample shall be taken at a suitable point to be representative of the Gas being analyzed.
- (i) Other Tests. Other tests to determine water content, sulfur, and other impurities in the Gas shall be conducted by Peoples as necessary and shall be conducted in accordance with standard industry testing procedures.
- (j) New Test Methods. If at any time during the term hereof, a new method or technique is developed with respect to Gas measurement, such new method or technique may be substituted for the method set forth in this Article when such methods or techniques are in accordance with the currently accepted standards of the American Gas Association, if mutually agreed upon by the Parties.

10.16 **Right of Inspections.** Peoples shall have the right to inspect equipment installed on the Interconnect Facility, measurement charts and other measurement or testing data at all times during business hours; but the reading, calibration and adjustment of such equipment and changing of charts shall be done by Producer, or its designee, unless agreed to otherwise by the Parties.

10.17 **Low Volumes for Receipt Points.**

- (a) In the event that Producer does not deliver to Peoples an average of three (3) Dekatherms of Gas per Day at each Receipt Point during any ninety (90) consecutive day period, then Peoples may permit the low volume delivery to continue or notify Producer of the low volume situation to initiate a discussion of the operational and commercial circumstances of

the Receipt Point, including line pressures impacting the Receipt Point. The Parties shall engage in a good-faith discussion to determine if there is a mutually agreeable basis for the Receipt Point to remain on Peoples' System. If a resolution is not possible, the Receipt Point may be terminated, in which case Peoples may remove its Interconnect facilities, as they relate to such Receipt Point(s), by giving Producer notice in writing sixty (60) days prior to the effective date of termination.

- (b) In the event that the amount of Gas, or the quality of Gas, passing through any Receipt Point(s) is less than the measurement equipment minimum design requirements for accurate measurement, Peoples shall have the right to shut-in service from Producer until: (i) Producer has provided adequate supply to meet such design requirements and has proven to Peoples that such volumes exist; and/or (ii) the measurement equipment and Interconnect Facilities have been redesigned and installed for the effective and efficient measurement of the revised volumes within the accuracy allowed and required by Peoples; and/or (iii) Producer has proposed, and Peoples has accepted in its sole discretion, an alternate method to accurately measure the volumes.
- (c) Peoples may in its sole discretion, for operational, safety or unaccounted for Gas mitigation reasons, abandon pipelines connected to any Receipt Point. Prior to the abandonment, Peoples shall provide sixty (60) days advance notice to the Producer of its intention to abandon the facilities and, during such sixty (60) day period, shall engage in a good-faith discussion with Producer to determine if there is a mutually agreeable arrangement by which the Receipt Point(s) impacted by the abandonment may remain on the system. If a resolution during said period is not possible, Peoples may proceed with the pipeline abandonment and Interconnect termination. The Producer in its sole discretion may reconnect to Peoples at the nearest pipeline not affected by the abandonment.

## **ARTICLE XI** **TERM**

11.01 **Term.** This Term of this Master Agreement shall become effective upon its execution by both Parties and shall continue in full force and effect for a period of five (5) years thereafter ("Master Agreement Term"), unless earlier terminated as provided herein. At the end of the Master Agreement Term, the Master Agreement shall automatically renew on a month-to-month basis until terminated by either party upon thirty (30) days' prior written notice to the other party.

The term of service for each specific Receipt Point shall be as set forth in Exhibit A (the "Service Term"). To the extent that the Service Term for any specific Interconnection extends beyond the Master Agreement Term, then the Master Agreement shall remain in full force and effect for the specific Interconnection until the expiration or termination of the applicable Service Term.

The obligations of (i) Producer to indemnify Peoples and (ii) Peoples to indemnify Producer pursuant hereto shall survive the termination or cancellation of this Master Agreement and the Exhibits. Termination of this Master Agreement will result in the termination of all Exhibits and the disconnection of all Receipt Points governed by Exhibit A's. Costs associated with disconnection will be the responsibility of the Producer.

Upon termination of this Master Agreement, Peoples shall have the right to remove all its facilities from the Interconnect of the Receipt Point(s) identified in the Exhibit As hereto.

**ARTICLE XII**  
**BILLING AND PAYMENT**

12.01 **Quantities Deemed Conclusive.** The Production Statement of the Producer Sales Volume(s) shall be deemed conclusive unless Producer forwards an objection to Peoples in writing within sixty (60) days after the receipt of the Statement.

12.02 **Withholding Payments** In the event of any adverse claim to or against the proceeds of this Master Agreement or any Gas delivered under this Master Agreement, or any part thereof, or against the proceeds of any other Gas supply and/or delivery contract that Peoples, any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Delta Natural Gas Company, Inc., has with Producer, is made by any person, Peoples may, upon written notice to Producer, refuse to receive Gas under this Master Agreement, as the case may be, until the dispute is settled by agreement between Producer and such adverse claimant or by a final decree of a court of competent jurisdiction.

In the event the Producer fails to comply with any of the covenants or terms herein contained, Peoples may immediately withhold, without liability for interest, all payments due to Producer under the terms of this Master Agreement.

12.03 **Adjustments.** In the event that Peoples mistakenly overpays or underpays Producer for Gas purchased under this Master Agreement, and such overpayment or underpayment is the result of a mistake of law or fact, miscalculation, coercion, duress, fraud, governmental or regulatory constraint, then Producer or Peoples, as the case may be, shall promptly, upon demand by the other Party, make appropriate refund or adjustment in such overpayments or underpayments, without liability for the payment of any interest by either Party; provided, however, that the obligation of either Party to make restitution under this Master Agreement shall be limited to mistaken payments made within the period commencing four (4) years prior to the date on which demand for refund or adjustment is made. In the event of Producer's refusal or inability to refund any overpayments, Peoples may withhold payment for Gas purchased under this Master Agreement or any other contract between Peoples, any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Delta Natural Gas Company, Inc., and Producer in an amount equivalent to the overpayment, without liability for the payment of any interest on the amount withheld. Nothing in this Master Agreement shall be construed as a waiver or relinquishment by Peoples or Producer of its rights to recover any such overpayments or underpayments.

12.04 **Late Payments.** Charges billed to Producer, for which payment has not been received by Peoples in full by the due date indicated on the invoice, will be assessed a late-payment charge of two percent (2%) per month on the unpaid balance. If Producer's failure to pay any undisputed amount continues for fifteen (15) days after the due date, then Peoples, in addition to any other remedy it may have, may (a) shut in the Receipt Point until Peoples has received payment in full; (b) deduct the unpaid amount from any payments accruing to Producer under any agreement between the Producer and Peoples; (c) take Gas in kind from Producer in satisfaction of obligations; or, (d) terminate the Exhibit associated with the Receipt Point and/or terminate the entire Master Agreement, upon ten (10) days written notice to Producer. Peoples reserves its rights to exercise any and all remedies at law appropriate to collect any amounts due hereunder, including interest, not timely paid by Producer.

**ARTICLE XIII**  
**FAILURE TO PERFORM**

13.01 **Suspension.** If Producer fails to comply with any of the covenants contained in this Master Agreement, or any other Gas supply and/or delivery agreement between Producer and any other natural gas company owned, or operated, by Peoples or its parent company, including, but not limited to, Delta Natural Gas Company, Inc., Peoples may refuse to allow Gas to flow through the Interconnect until, in Peoples' sole opinion, Producer is fully complying with all of the terms and conditions of this Master Agreement. Peoples, in its sole judgment, shall have the right to shut-in the Interconnect immediately if equipment is not operating properly, an overpressure condition exists, design limitations are exceeded, or safe operating conditions are compromised. Furthermore, Peoples has the right to keep the Interconnect shut-in until the Producer makes the necessary provisions to rectify the situation. If the abnormal conditions repeatedly arise, Peoples has the right to shut-in the Interconnect indefinitely and/or to terminate this Master Agreement.

Producer shall reimburse Peoples for any damages caused by Producer failing to comply with any of the covenants contained in this Master Agreement, including payments made by Peoples to other affected customers in settlement of claims arising out of such service if Producer was notified that Peoples was invoking indemnification under Section 13.03 and Producer was given the opportunity to defend against the claim prior to such settlement agreement. To the extent any damages required to be paid hereunder are liquidated, the Parties acknowledge that the damages are difficult or impossible to determine, otherwise obtaining an adequate remedy is inconvenient and the liquidated damages constitute a reasonable approximation of the harm or loss.

If litigation results from any dispute between Producer and Peoples, Peoples may pay any money withheld under this Master Agreement to a court of competent jurisdiction without any further liability, or may interplead all claimants, including Producer. The prevailing party in a litigated dispute between Peoples and Producer shall have the right to collect from the other party its reasonable costs and necessary disbursements and attorneys' fees incurred in enforcing this Master Agreement.

13.02 **Damages.** IN NO EVENT WILL EITHER PARTY BE LIABLE OR RESPONSIBLE FOR, EITHER UNDER THIS ARTICLE XIII, UNDER ANY THEORY OF LIABILITY OR UNDER ANY OTHER TERM OR PROVISION OF THIS MASTER AGREEMENT, FOR ANY LOSS OF PROFITS, LOSS OF BUSINESS, INTERRUPTION OF BUSINESS OR FOR INDIRECT, INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY KIND, EVEN IF A PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

13.03 **Indemnity.**

- (a) Producer agrees to indemnify, hold harmless and provide a defense for Peoples, its officers, directors, affiliates, agents, employees and contractors against any third party claims for any liability, loss or damage whatsoever (including, without limitation, claims for royalties, taxes, fees or other charges) occurring in connection with or relating in any way to: (i) breach of this Master Agreement by Producer; (ii) the negligence, willful misconduct or other tortious act(s) or omission(s) by Producer, its officers, directors, affiliates, agents, employees or contractors; (iii) the Gas prior to its delivery to Peoples at the Interconnect Facility; and/or (iv) the Gas to the extent the claim, liability, or damage arises as a result of the quality of the Gas delivered by Producer or other condition of the Gas. Such indemnification shall include, but not be limited to, all costs and reasonable attorneys' fees, whether or not such liability, loss or damage results from any demand, claim, action, or cause of action, by any person, association or entity, public or private, that is not a party to this Master Agreement.

- (b) Peoples agrees to indemnify, hold harmless and provide a defense for Producer, its officers, directors, affiliates, agents, employees and contractors against any third party claims for any liability, loss or damage whatsoever occurring in connection with or relating in any way to: (i) the negligence, willful misconduct or other tortious act(s) or omission(s) by Peoples' when accessing, operating, adjusting, changing, or repairing any Producer-owned facilities or equipment in accordance with Peoples' rights to do so granted by this Master Agreement and (ii) the negligence, willful misconduct or other tortious act(s) or omission(s) by Peoples' when accessing, operating, adjusting, changing, or repairing any of the Producer facilities not pursuant to Peoples' rights to do so granted by this Master Agreement. Such indemnification shall include, but not be limited to, all costs and reasonable attorneys' fees, whether or not such liability, loss or damage results from any demand, claim, action, or cause of action, by any person, association or entity, public or private, that is not a party to this Master Agreement.

14.04 **Shut-In Remedy.** In any instance set forth in this Master Agreement in which Peoples has the right to shut-in an Interconnect, Peoples shall further have the right to remove its facilities associated with the Interconnect and terminate this Master Agreement if whatever action resulted in the shut-in has not been remedied in the amount of time set forth in this Master Agreement, or if no exact time is set, within a reasonable timeframe as determined by Peoples.

#### **ARTICLE XIV REGULATORY APPROVALS**

14.01 **Initial Regulatory Filing Requirements.** Both Peoples and Producer are responsible for identifying and obtaining any governmental and/or regulatory approvals that may be required for construction and operation of the facilities contemplated by this Master Agreement.

14.02 **Changes in Regulation Results in Material Adverse Effect.** If any other governmental agency, whether state or federal, takes any action or issues any determination that directly or indirectly results in a material adverse change to any provision of this Master Agreement, then the materially adversely affected Party (hereinafter "Affected Party") may either:

- (a) continue to fulfill its obligations under this Master Agreement as altered by the change in regulation; or
- (b) seek to renegotiate the affected terms of this Master Agreement by giving notice to the other Party within thirty (30) days of the material adverse change. If the Affected Party elects to renegotiate the terms of this Master Agreement, both Parties shall be obligated to renegotiate in good faith.

14.03 **Changes in Regulatory Proceedings.** The Parties agree that any amendments or modifications to this Agreement and/or the Exhibits or Appendices that are part of this Agreement, which are the result of a regulatory proceeding before the Pennsylvania Public Utility Commission shall become effective, regardless of materiality, upon 30 days written notice of the same.

#### **ARTICLE XV GENERAL REPRESENTATIONS AND WARRANTIES**

15.01 **Producer's General Representations and Warranties.** Producer makes the following general representations and warranties:

- (a) Producer is duly organized, validly existing, and in good standing under the laws of the state in which it is organized and/or has full power and authority to execute and deliver this Master Agreement and to perform its obligations hereunder;
- (b) Producer holds all necessary corporate authorizations and by the execution and delivery of this Master Agreement will not violate its Articles of Incorporation, Limited Liability Company Agreement or other applicable governing agreement or any applicable laws or regulations;
- (c) There is no litigation, investigation, administrative proceeding or other action existing, pending, or threatened that would materially adversely affect the ability of Producer to fulfill its obligations under this Master Agreement;
- (d) Producer's signatories possess authority to execute this Master Agreement such that a legal, valid, and binding obligation enforceable against Producer is created; and
- (e) Producer shall be deemed to be in control and possession of the Gas hereunder until it shall have been delivered to Peoples at the Receipt Point. Producer assumes the full cost and expense, as well as full and complete liability and responsibility, for collecting, gathering, and transporting the Gas to the Receipt Point hereunder at the quality hereinafter specified.

15.02 **Peoples' General Representations and Warranties.** Peoples makes the following general representations and warranties:

- (a) Peoples is duly organized, validly existing, and in good standing under the laws of the state in which it is organized and/or has full power and authority to execute and deliver this Master and to perform its obligations hereunder;
- (b) Peoples holds all necessary corporate authorizations and by the execution and delivery of this Master Agreement will not violate its Articles of Incorporation, Limited Liability Company Agreement or other applicable governing agreement or any applicable laws or regulations;
- (c) There is no litigation, investigation, administrative proceeding or other action existing, pending, or threatened that would materially adversely affect the ability of Peoples to fulfill its obligations under this Master Agreement; and
- (d) Peoples' signatories possess authority to execute this Master Agreement such that a legal, valid, and binding obligation enforceable against Producer is created.

## **ARTICLE XVI** **ASSIGNMENT**

16.01 **Assignment of this Master Agreement.** This Master Agreement shall be binding upon and inure to the benefit of the successors, assigns, personal representatives, and heirs of the respective Parties hereto, and the covenants, conditions, rights and obligations of this Master Agreement shall run for the full term of this Master Agreement. No assignment of this Master Agreement, in whole or in part, will be made without the prior written consent of the non-assigning party, which consent will not be unreasonably withheld or delayed; provided, either party may transfer its interest to any parent or affiliate by assignment, merger or otherwise without the prior approval of the other party. Upon any transfer and assumption, the transferor shall not be relieved of or discharged from any obligations hereunder.

Producer shall give prompt notice in writing to Peoples of any sale or assignment or other disposition of all or any part of its interest in the Interconnect Facilities hereinbefore described and covered by this Master Agreement and Exhibit(s). Producer shall furnish to Peoples copies of any relevant documents evidencing the transfer or assignment of said Producer's interest. Until said notice and relevant documents have been given and furnished to Peoples, Peoples, upon written notice to Producer, may shut-in the Interconnect hereunder, and/or escrow any payments required hereunder, without liability. In the event that Producer fails to promptly provide said notice and relevant documents, Peoples shall have the right to terminate this Master Agreement, and/or any Exhibits, upon fifteen (15) days' notice.

**ARTICLE XVII**  
**NOTICE**

17.01 **Notices.** Following execution and activation of this Master Agreement, all communications, invoices and payments ("Notices") required hereunder may be sent by a nationally recognized overnight courier service, hand delivered, by electronic mail, or by First Class U.S. mail. Upon request by the Producer, Peoples will send a duplicate copy of any Notice delivered by electronic mail, via First Class U.S. mail or equivalent shipping service.

Peoples Natural Gas Company LLC  
375 North Shore Drive  
Pittsburgh, PA 15212  
Attention: Director Gas Supply  
Phone: 412-208-6525  
Email: steven.p.kolich@peoples-  
gas.com

Producer: \_\_\_\_\_  
Address: \_\_\_\_\_  
City: \_\_\_\_\_  
State: \_\_\_\_\_  
Zip: \_\_\_\_\_  
Attention: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

With a copy to:  
Peoples  
375 North Shore Drive  
Pittsburgh, PA 15212  
Attention: Senior Counsel  
Email: jennifer.petrisek@peoples-  
gas.com

17.02 **Receipt of Communications.** Any notice required or permitted under this Master Agreement shall be communicated in writing. Notice shall be deemed to have been received: (i) when sent by overnight mail or courier, on the next business day after it was sent or such earlier time as is confirmed by the receiving Party; (ii) when delivered by hand, at the time it is delivered to an officer or to a responsible employee of the receiving Party; (iii) when delivered via First Class U.S. Mail, two (2) business days after mailing or (iv) when electronically mailed on or before 5:00 p.m. EST on the business day it was sent or on the next business day if electronically mailed after 5:00 p.m. EST. Either Party may change its address, electronic mailing address or telephone number at any time by promptly giving notice of such change to the other Party. Either Party may modify any notice information specified above by written notice to the other Party.

**ARTICLE XVIII**  
**MISCELLANEOUS**

18.01 **Choice of Law.** This Master Agreement shall be governed by and interpreted in accordance with the laws of the Commonwealth of Pennsylvania, without regard to the State's conflict of laws principles. This Master Agreement shall be deemed to have been executed in Pennsylvania.

18.02 **Construction of this Master Agreement.** No presumption shall operate in favor of or against either Party as a result of any responsibility either Party may have had for drafting this Master Agreement.

18.03 **Execution.** This Master Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument. As used herein, the singular of any term shall include the plural.

18.04 **Captions.** The article and section captions of this Master Agreement are for purposes of reference only and shall not affect the meaning of any provision of this Master Agreement.

18.05 **Amendments.** This Master Agreement may only be amended or modified by written instrument signed by the duly authorized representatives of Producer and Peoples, except for any amendments or modifications approved by the Pennsylvania Public Utility Commission in a regulatory proceeding, shall become effective upon 30 days written notice.

18.06 **Severability.** If any provision of this Master Agreement is held by any court of competent jurisdiction to be illegal, invalid, unenforceable, or in conflict with any law of the Commonwealth of Pennsylvania, the validity of the remaining provisions of this Master Agreement shall not be affected, and the rights and obligations of the Parties shall continue in full force and effect to the full extent permitted by law. If any provision of this Master Agreement is held invalid, illegal, unenforceable or in conflict with any Pennsylvania law, the Parties shall meet promptly and negotiate in good faith a replacement provision to effectuate the intent of the Parties.

18.07 **Confidentiality.** This Master Agreement and all notices, statements, correspondence, and other communications or documents relating to the negotiation and administration of this Master Agreement are non-public, confidential, and proprietary ("Proprietary Information"). Each Party shall keep such Proprietary Information strictly confidential for a period ending two (2) years after the expiration or termination of this Master Agreement, except as may be required to comply with any statute or order of a court or government agency having subject matter jurisdiction, the Parties shall not disclose, reveal or divulge any Proprietary Information to any person or entity without the prior written consent of the other Party.

18.08 **Audits.**

- (a) **Accounting Audits:** Peoples shall have the right to audit Producer's accounting records and other documents relating to materials delivered by or on behalf of Producer for Peoples' account for any calendar year within the twenty-four (24) month period following the end of such calendar year. This provision shall continue in full force and effect for a period of twenty-four (24) months from the effective date of termination of this Master Agreement.
- (b) **Field Audits:** Producer gives Peoples permission to periodically come onto Producer's property in order to audit the Interconnect Facility to determine if it is in compliance under the terms of this Master Agreement. Permission for ingress/egress includes personnel, vehicles, and other equipment deemed necessary by Peoples. Peoples shall have permission to perform all operating and maintenance functions associated with verifying the integrity and functionality of equipment, piping, and appurtenances. If, in Peoples' judgment, modifications are necessary in order to assure proper operation of the equipment, Peoples

shall notify Producer and describe the modifications and shut in the Interconnect. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities resulting from Peoples' or its designee's intentional or negligent actions during a field audit. Peoples shall replace, fix or repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of operating or attempting to maintain the Producer's Interconnect Facility.

18.09 **Waiver.** Any waiver by either Party of performance due by the other Party under the terms of this Master Agreement shall not operate as a waiver of any or all of such Party's rights with respect to all prior or subsequent obligations of the other Party.

18.10 **Incorporation of Appendices.** Each Appendix hereto is made subject to the terms and conditions hereof and is fully incorporated into this Master Agreement by reference.

18.11 **Entire Agreement.** The entire agreement between the Parties shall include those provisions contained in this Master Agreement, which includes the Appendices and any effective Exhibit. In the event of a conflict between the terms of any Appendix and the terms of this Master Agreement, the terms of the Master Agreement shall govern. In the event of a conflict between the terms of any Exhibit and the terms of this Master Agreement, which includes the Appendices, the terms of the Exhibit shall govern.

18.12 **Force Majeure** In the event either party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations under this Master Agreement, other than demand payments of amounts due hereunder, then the obligations of such party, so far as they are affected by such force majeure, shall be suspended during the continuance of any inability so caused. However, the party claiming the existence of force majeure shall use all reasonable efforts to remedy any situation, which may interfere with the performance of its obligations hereunder. The term "Force Majeure" as used herein, and as applied to either party hereto, shall mean acts of the law, acts of God, strikes, lockouts, or other labor disturbances, acts of the public enemy, war, blockades, insurrections, riots, epidemics, fires, floods, washouts, arrests, and restraint of rulers and people, civil disturbances, explosions, breakage or accidents to machinery or lines of pipe, freezing of wells or pipelines, partial or entire failure of such wells, or any other cause, whether of the kind herein enumerated, or otherwise, not reasonably within the control of the party claiming suspension. It is understood that settlement of strikes, lockouts, or labor disturbances shall be entirely within the discretion of the party having the difficulty and that the above requirement that any Force Majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes, lockouts, or labor disturbances by acceding to the demands of the opposing party when such course is inadvisable in the discretion or judgment of the party having the difficulty.

This Master Agreement, as amended from time to time, constitutes the entire agreement between the Parties for the transportation and/or purchase and sale of Gas and supersedes all previous offers, negotiations, understandings and agreements between the Parties with respect to the transportation and/or purchase and sale of Gas. There are no agreements, modifications, conditions or understandings, written or oral, expressed or implied, pertaining to the transportation and/or purchase and sale of Gas which are not contained in this Master Agreement.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS**

IN WITNESS WHEREOF, Peoples and Producer have duly executed this Master Agreement to be effective as of the day and year first written above.

**PEOPLES NATURAL GAS COMPANY LLC**

**[PRODUCER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**APPENDIX A TO MASTER AGREEMENT  
MINIMUM ENGINEERING & TECHNICAL SPECIFICATIONS**

**SECTION I  
DESIGN OF INTERCONNECT FACILITIES**

1.01 **General.** Producer shall be responsible for all aspects of the design and construction of a New Facility, subject to the terms and conditions of the Master Agreement, unless specifically noted otherwise by Peoples. Producer shall be responsible for maintaining any Existing Facility and New Facility to the specifications set forth in the Master Agreement, including all Appendices and Exhibits. Peoples reserves the right to inspect an Existing Facility and a New Facility to ensure it complies with the specifications and is operable; in the event said facility does not meet with the specifications or is inoperable, the Interconnect may be shut-in until the Producer remedies the deficiency(ies).

1.02 **Materials.** All material and equipment furnished for a New Facility shall be new and shall satisfy: (i) the generally accepted industry standards; and (ii) the specifications set forth in this Appendix.

1.03 **Site/Land Acquisition**

- (a) Producer shall provide Peoples with the necessary rights-of-way, permits, and related surface rights including the rights of ingress, egress and regress necessary for Peoples to access the location of the New Facility. Producer shall also provide, if required, a right of way necessary for the tie-in of proposed New Facility to Peoples' System that is free of all costs and from all claims and liabilities for damages arising out of installation or the construction of the New Facility. To the extent that Producer has not previously provided Peoples with the necessary rights-of-way, permits, and related surface rights including the rights of ingress, egress and regress necessary for Peoples to access the location of an Existing Facility, and Peoples is hindered from accessing the location, Peoples shall have right to shut in the Interconnection, remove its facilities associated with the Interconnect and terminate the portion of the Exhibit applicable to the Interconnection.
- (b) Producer and Peoples must agree beforehand to the location of the New Facility as well as the final tie-in location.
- (c) Producer shall satisfy itself as to the character and types of surface and subsurface materials to be encountered in construction of the New Facility.
- (d) Producer's right-of-way shall be cleared of all debris and obstructions before the New Facility is tied into Peoples' System. For Existing and New Facilities, Producer's right-of-way shall be maintained such that regular access to the Interconnection may be obtained.
- (e) A New Facility shall be readily accessible, located in an area that is not susceptible to vehicular or other damage but as near as practical to the final tie-in point. Peoples reserves the right to require that a New Facility be enclosed within a locked fence or building. In the event of safety or operational concerns, Peoples reserves the right to require that an Existing Facility be enclosed within a locked fence or building.
- (f) The meter set shall be readily accessible, located in an area that is not susceptible to vehicular or other damage but as near as practical to the final tie-in point.



Heat	TBD	TBD	TBD	TBD	TBD	TBD	
Check Valve	Yes	S/T	S/T	S/T	S/T	S/T	
<b>ODORIZATION</b>							
Odorizer & Controls	TBD	S/T	S/T	S/T	PG	PG	
<b>MISCELLANEOUS</b>							
Communication service	TBD	PG & S/T	PG & S/T	PG & S/T	PG & S/T	PG & S/T	Each maintain own communication service
Electrical Service	TBD	S/T	S/T	S/T	S/T	S/T	

**PG = Peoples; S/T = Producer**

**TBD = To be determined at the Design Specification Stage per Section 4.01 of the Agreement.**

1.05 **Inlet Filter.** Filter/filter-separator facilities installed upstream of the Interconnect Facility at Receipt Point(s) must be considered and based upon specific Gas analysis. This Section 1.05 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility,

1.06 **Freeze Prevention.** In circumstances where heavier hydrocarbons and/or water vapor may be present within the Gas stream, Producer shall incorporate freeze protection measures into the design of the Interconnect Facility. The method and design of the freeze protection measures shall be submitted to the Peoples for approval and no construction shall commence until such time as Producer receives written approval from Peoples. If Producer’s freeze protection measures involve the use of Gas for fuel, then the tap for such fuel supply line shall be made upstream of the measuring equipment, such that Producer bears the costs of the fuel. This Section 1.06 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility. Freeze protection measures which may be acceptable to Peoples include the following:

- (a) Methanol Injection – should be installed downstream of meters
- (b) Catalytic heaters / heat trace - for regulator bodies
- (c) Indirect water bath heaters – for large pressure cuts and large flow volumes
- (d) All Gas provided and delivered to Peoples shall have a temperature of no less than 45° F.

1.07 **Regulating and Overpressure Protection.** Peoples may require regulation and shall require over-pressure protection for all Receipt Point(s) under this Master Agreement. Such regulation shall deliver pressures suitable to pressures in Peoples’ System. Peoples shall specify and/or approve the type of regulators to be used and shall specify pressure ranges, and operating settings. Producer will contract with a Peoples Approved Vendor to perform annual inspection and lock up test of each regulating and overpressure device and provide inspection reports to Peoples.

- (a) A primary pressure-limiting device shall be required whenever the Peoples’ System has the possibility of realizing pressures exceeding the Peoples’ pipeline MAOP.
- (b) Overpressure protection devices shall be set such that pressures may not exceed the maximum allowable operating pressure for the facility into which Producer is delivering Gas.

- (c) Overpressure protection devices must be designed to prevent a single incident from affecting the operation of the Interconnect.
- (d) Security valves, monitor regulators, or control valves should be used for overpressure protection.
- (e) Overpressure protection devices shall consist of a stand-alone valve operating on a pneumatic signal taken directly from the pipeline.
- (f) If pilot loaded valves are used, the pilots shall not bleed when they are not operating. Pilot bleeds should be routed to downstream piping.

1.08 **Control Valves**

- (a) Control valves shall be sized using the highest flow rate compounded with the lowest delivery pressure.
- (b) All flow control valves should be installed to fail in the open position or in the last set positions, as applicable.
- (c) Peoples shall approve the type and brand of control valve.
- (d) Downstream taps for pressure control valves shall be noted on detail drawings and shall also possess a pressure transducer for stations designed with telemetry.

1.09 **Miscellaneous Valves and Piping**

- (a) Blow-down valves shall be installed to provide for venting of all sections.
- (b) Meter header piping shall be sized for 1.5 times the total combined area of the total meter runs.
- (c) Isolation valves will be installed on either side of regulators, meters, and control valves.
- (d) Piping shall be Standard Weight unless approved otherwise by Peoples.

1.10 **Emergency Valve.** The design and installation shall include an emergency valve (ball valve preferred) located at least twenty-five (25) lineal feet (point to point) but not to exceed fifty (50) lineal feet from the tie-in with Peoples' System. The emergency valve shall be readily accessible, easily operated, and sufficiently marked for quick identification.

1.11 **Peoples Tie-in and Tap Sizing.** Peoples shall provide for the sizing and actual installation of tap for tie-in of a New Facility to Peoples' System. Producer shall provide data necessary for the sizing of the tap.

1.12 **Gas Chromatograph.** Auxiliary equipment may be required for measurement of Btu variations. Peoples shall have the final decision as to the type of Gas analysis required.

1.13 **Dehydration.** Gas received by Peoples at Receipt Point(s) shall be consistent with the requirements in Appendix B, Schedule 1 and contain no free liquids. In accordance with Section 7.01 of the Master Agreement, Peoples has the right to discontinue and/or terminate any Receipt Point(s) where Gas delivered contains free liquids.

1.14 **Dew Point Tester.** When deemed necessary by Peoples, Producer shall incorporate an on-line dew point tester as part of the Interconnect Facility. The unit shall be set such that any Gas volumes detecting

water content levels in excess of contractual specifications shall result in the automatic closure of an in-line valve thereby preventing further delivery of Gas into system. Valve shall remain closed until an acceptable water moisture content of the Gas can be provided. This Section 1.14 shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility.

1.15 **Corrosion Coupon Tap.** When specified by Peoples, Producer shall provide for an in-line valve tap for installing corrosion coupons.

1.16 **Check Valve.** All Interconnect Facilities shall be installed with a check valve of some type so as to assure Gas flows in the direction proposed by this Master Agreement. Producer will contract with a Peoples Approved Vendor to perform annual inspection of each check valve and, in accordance with Appendix B, Section 1.07, shall provide the inspection report to Peoples.

1.17 **Building, fences, and site security**

- (a) Buildings, or shelters, shall be provided to protect electronic Gas measurement and control equipment, as well as to act as noise barriers, protection from damage, and for meeting compliance with local ordinances. All buildings, shelters, fences, or the like, shall be designed to permit safe access around all facility piping and equipment. Designs for buildings, shelters, fences, or the like shall be submitted to Peoples' approval prior to installation or modification.
- (b) Unless waived by Peoples in its reasonable discretion, all Interconnect Facility shall be fenced, consisting of chain link fencing eight feet (8') in height complete with three (3) strands of barbed wire, and at a minimum; one pedestrian gate and one truck gate installed at opposing ends of the site. This sub-section 1.17(b) shall not apply to any Existing Facility, unless required by the Pennsylvania Public Utility Commission or in order to address operational, safety or service related issues, in which case Peoples agrees to provide at least sixty (60) days advance notice to Producer documenting the operational, safety or service related issues and detailing required modifications to the Existing Facility.
- (c) The site selected must be large enough to hold all equipment and accommodate all activities required for normal and maintenance operations.

1.18 **Power and telephone.** If required, Producer shall provide electric power and telephone at site.

**SECTION II**  
**INSTALLATION, TESTING, and INSPECTION**

2.01 **Testing**

- (a) All measurement equipment shall be tested in accordance with specifications provided by Peoples. Peoples shall specify minimum test pressure and test duration. Tests shall be conducted using a recording chart of which Peoples shall receive the original or a clear copy of the original test chart.
- (b) Peoples shall not activate the New Facility and Interconnect until a copy (or original) of the test chart has been received and approved.

2.02 **Inspection**

- (a) Peoples reserves the right to inspect all New Facilities during construction.

- (b) Prior to startup of construction, Producer shall provide three (3) days' notice to Peoples.
- (c) All girth welds must be 100% radiographically inspected and approved.
- (d) Producer shall be responsible for all expenses, including inspection by Peoples, relative to construction inspections of the New Facilities.

**APPENDIX B TO MASTER AGREEMENT  
INSPECTIONS AND GAS QUALITY**

**SECTION I  
ROUTINE INSPECTIONS OF INTERCONNECT FACILITIES**

1.01 **Interconnect Facility(ies) Maintenance.** Peoples shall have the right to periodically inspect Producer's records and the Interconnect facilities to verify that all operating and maintenance functions are being performed effectively. If Producer cannot provide adequate documentation, or if Producer's operating and maintenance procedures are inadequate as determined by Peoples, Producer will have seventy-two (72) hours to produce proper documentation and/or revise inadequate procedures. If, after the seventy-two-hour period, documentation is not provided and/or procedures are not modified, Peoples retains the right to take further action as it deems necessary including the right to shut-in the Interconnect until adequate documentation/procedures have been verified and secured.

1.02 **Changes to Interconnect Facility.** The Producer has an obligation to notify Peoples in writing 24 hours prior to changes to Producer Interconnect facilities that would require modifications to an Interconnect, Peoples' System or Gas composition, and Peoples shall have the right to reject changes to the Interconnect Facility. Peoples retains the right to take action as it deems necessary in its reasonable discretion, including the right to shut-in the Interconnect, in the event notification does not occur. The cost of any damages as a result of changes to Producer's Interconnect Facility will be borne entirely by the Producer; provided, that if Peoples or its designee accesses and operates Producer's Interconnect Facility, Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's access or operation of the Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of Peoples' accessing or operating the Facility.

1.03 **Interconnect Facility Operations.** Peoples shall have the right to shut-in the Interconnect immediately if meter set equipment is not operating properly, an overpressure condition exists, design limitations are exceeded, or safe operating conditions are compromised. Furthermore, Peoples has the right to keep the Interconnect shut-in until the Producer makes the necessary provisions to rectify the situation. If the abnormal conditions repeatedly arise, Peoples has the right to shut-in the Interconnect indefinitely.

1.04 **Interconnect Facility Inspections.** Peoples shall have the right to inspect the Interconnect Facility including, but not limited to, the following: calibrate the meter; inspect regulators; inspect valves; and inspect and calibrate Gas quality facilities. If during the course of these inspections, Peoples determines, using commercially reasonable discretion, that installation procedures were not followed, equipment was not maintained, or equipment was modified to not comply with specifications established in this Master Agreement, Peoples has the right to shut-in the Interconnect until corrective actions by the Producer occur and additional inspections performed. If continued inspection violations occur, Peoples has the right to shut-in the Interconnect indefinitely. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's inspection in calibrating the meter, inspecting regulators, inspecting valves, and inspecting and calibrating gas quality equipment within the Producer's Interconnect Facility. Peoples shall replace, fix and repair, at its cost, any portion of Producer's Interconnect Facility that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of the activities described above.

1.05 **Reserved.**

1.06 **Reserved.**

1.07 **Annual Measurement Equipment Testing.** All measurement equipment shall be inspected and tested by a Peoples Approved Vendor once each calendar year not to exceed fifteen (15) months from the previous inspections at Producer's expense. This annual inspection must be completed by technicians trained to operate pressure regulating equipment in accordance with the manufacturer's procedures and specifications. Peoples reserves the right to request documentation for regular testing and technician training. The annual testing shall include, but is not limited to the following equipment: Check Valve, Regulator(s) Lock-up test, electronic corrector (EGM) calibration, meter calibration and spot sample Gas analysis (frequency according to section 2.01 of this Appendix B) at the Interconnect. Inspection reports shall be submitted, within 30 days after the yearly inspection date, to Peoples. In the event the Producer fails to submit the yearly inspection reports, Peoples shall have the right to periodically inspect Producer's records to determine if measuring equipment has been inspected and tested, as required by the Master Agreement. If Producer cannot provide documentation, within five (5) days of Peoples' request, Producer is required to immediately shut-in the Interconnect at which measurement and testing records are deficient, for a period of one week, or until the Producer can provide proof that the measuring equipment has been inspected and tested, and is working properly, whichever is longer. If Producer cannot provide documentation that its measuring equipment has been inspected and tested on additional occasions, Peoples retains the right to take further action at its discretion, including the right to require the shut-in of the applicable Interconnect for additional time periods. If Producer repeatedly violates this provision, Peoples has the right to permanently discontinue accepting Gas from wells that Producer has dedicated to said Interconnect Facility.

## **SECTION II** **GAS QUALITY REQUIREMENTS**

2.01 **General.** Before Peoples permits the flow of Gas from a New Facility into the Peoples' System, Producer will provide a Gas sample analysis by a Peoples Approved Vendor and Peoples shall review the Gas sample analysis to verify that it is of marketable quality. Producer will contract with a Peoples Approved Vendor to perform an initial (within one (1) year of the execution of this Agreement) Gas quality sample analysis and provide inspection report to Peoples for each Interconnect Facility that have not otherwise been tested by Producer or Peoples within the year prior to the execution of this Agreement. Receipt Point(s) with daily volumes at or above 1,000 mcf/day will be required to have a Gas quality sample analysis conducted on an annual basis. Receipt Point(s) with daily volumes below 1,000 mcf/day will be required, after obtaining the initial analysis, to have a Gas quality sample analysis' conducted every five (5) years thereafter, unless the Gas sample analysis does not meet Peoples specifications, requirements and/or standards, as set forth in this Agreement, including any Appendixes, Exhibits, Addendums, Schedules and Amendments, in which case, Peoples will require the Interconnect to be shut in until Gas sample meets Peoples specifications. Peoples reserves the right to require more frequent Gas quality sample analyses in order to address operational, safety or service-related issues. The initial and ongoing Gas sample analyses shall include testing for water vapor, N<sub>2</sub>, O<sub>2</sub>, CO<sub>2</sub>, CH<sub>4</sub> (methane through pentane), heating value (BTU - dry and saturated), specific gravity by a certified tester using GPA 2261-13 and GPA 2172-09 standards and shall conform with the following specifications:

- (a) **Liquids** – The Gas shall be free of water and hydrocarbons in liquid form at the temperature and pressure at which the Gas is delivered.
- (b) **Moisture Content** – The Gas shall not have water content in excess of seven (7) pounds of water per million cubic feet of Gas measured at standard conditions of 14.73 psia and 60°F, unless otherwise approved by an authorized representative of Peoples or as set forth in Schedule 1. The moisture content of the Gas shall be such that it is of marketable quality, and does not cause any safety or operational problems or other adverse effects on Peoples' System or any downstream systems to which the Gas may flow. Producer will be advised of any additional or specific moisture content limits for the Interconnect, or of any changes in such limits, should they be required.

- (c) Water Vapor – Peoples will authorize water content according to the chart attached as Schedule 1 to this Appendix B. However, Peoples maintains the right to require a lower (more stringent) water vapor content than the level set forth in Appendix B if the water vapor levels at specific Receipt Point(s) are detrimentally affecting customer service or creating operational issues.
- (d) Carbon Dioxide and Other Inerts – The Gas shall not contain more than four percent (4%) by volume of total combined inerts such as carbon dioxide, nitrogen, argon, and helium; provided that the total carbon dioxide content shall not exceed two percent (2.0%) by volume.
- (e) Dust, Gums and Solid Matter – The Gas shall be commercially free of dust, gums, gum-forming constituents, or other liquid or solid matter which might become separated from the Gas in the course of transportation through pipeline.
- (f) Heating Value – Unless otherwise approved, in writing, by Peoples, the Gas delivered shall contain not less than 967 BTU per standard cubic foot and shall not exceed 1,100 BTU per standard cubic foot of Gas calculated as the gross saturated value at 14.73 psia and 60° Fahrenheit, and a utilization factor of one thousand three hundred (1,300) plus or minus six percent (6%), the utilization factor being defined as that number obtained by dividing the heating value of the Gas by the square root of its specific gravity. Gas accepted by the Company that contains less than 967 BTU per cubic foot will be enhanced to ensure that Gas delivered by the Company to its end-use customers shall meet the heating value requirements set forth in applicable regulations, orders or laws. The Producer may be responsible for the costs of such enhancement.
- (g) Temperature – The temperature of the Gas delivered into the Peoples' System shall not exceed 100°F unless approved by an authorized representative of Peoples. The temperature shall not be less than 40°F as delivered to Peoples' System after passing through all regulation, measuring and over protection equipment.
- (h) Oxygen – The Gas shall not contain more than 2,000 parts per million (0.2% of one percent) of oxygen by volume.

Should circumstances warrant more in-depth Gas sample analyses, such as the suspected or known presence of other constituents, Peoples reserves the right to require testing for additional compounds including not limited to the following:

- (a) Hydrogen Sulfide – The Gas shall not contain more than four (4) parts per million on a volumetric basis, or three-tenths (0.3) of a grain of hydrogen sulfide per one hundred (100) cubic feet.
- (b) Total Sulfur – The Gas shall not contain more than 170 parts per million, on a volumetric basis, or ten (10.0) grains of total sulfur per one hundred (100) standard cubic feet.
- (c) Carbon Monoxide – The Gas shall not contain more than one-tenth percent (0.1%) by volume of carbon monoxide.
- (d) Gasoline - Not contain more than two-tenths (0.2) of a gallon of gasoline per one thousand (1,000) standard cubic feet unless otherwise approved by an authorized representative of Peoples.
- (e) Bacteria – The Gas, including any associated liquids, shall not contain any microbiological organism, active bacteria, or bacterial agent capable of causing or contributing to: (i) injury to Peoples' pipelines, meters, regulators, or other facilities and appliances through which Producers Gas flows; or (ii) interference with the proper operation of Peoples' System. Microbiological organisms, including, but not limited to, sulfate reducing bacteria (SRB) and acid producing bacteria (ACB), when considered as a possibility, shall be tested for their existence utilizing the

American Petroleum Institute test method API-R38 or other acceptable test method as determined by both Parties.

- (f) Siloxane – All Gas delivered through an Interconnect into Peoples’ System that includes Gas from landfill well(s) or gathering lines fed by landfill Gas sources shall meet the following on-going testing protocol:

Test Results, mg of SI / Nm <sup>3</sup>	Action
≤ 0.4	November through February = once per week March through October = twice per month
0.40 - 0.60	Test daily until results are below 0.40
3 consecutive results ≥ 0.60 or a single test ≥ 1.0	Shut in gas until start-up conditions are re-established

2.02 **Gas Odorant.** Peoples will perform Gas odorant tests to confirm that the Gas delivered at the Producer’s Interconnect Facility is properly odorized. If is found to have insufficient odor, then Producer will be required to purchase and install odorizing units and monitoring equipment according to Peoples’ specifications and as set forth herein. The Producer is also responsible for the maintenance of this facility including the costs of odorant supply needed to maintain a sufficient odor in all Gas delivered at the Producer’s Interconnect Facility. Odorizing units and monitoring equipment specifications

- (a) Equipment and Ownership. The Producer will own the odorizer with associated equipment necessary to operate and deliver odor (odorizer system) and is responsible for all costs associated with operating the system. Peoples will approve the design of the odorizer system, whereinafter the Producer will purchase and install the odorizer system. Peoples may choose to be present for the installation and shall have the right to test the system after its installation. Thereafter, Peoples will operate and maintain the odorizer systems and, where applicable, a thermal electric generator (unless a public electric power supply can be made available to the site), together with necessary valves, tubing and fittings, in order to properly odorize Gas delivered to measurement equipment. If the odorizer system is located outside of the Interconnect Facility location, the Producer shall provide site access to Peoples, as described in Section 1.03 of Appendix A, for the site where the odorization system is located. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples’ or its designee’s accessing or operating Producer’s odorizer system. Peoples shall also replace, fix and repair, at its cost, any portion of Producer’s odorizer system that Peoples, or its designee intentionally or negligently harms, damages or breaks as a result of operating the odorizer system.
- (b) Upgrades. If Producer should desire to upgrade or replace any of the currently existing odorizers or generators, all equipment must be subject to the review and approval of Peoples.
- (c) Refill. Peoples will manage the filling and refilling (or tank exchange) of the odorant to make sure, that sufficient odorant is available for Gas delivered to the measurement equipment.
- (d) Odorant Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the cost of odorant, including all future tank refills.
- (e) Odorizer Site. Producer will provide and maintain, at its own cost, perimeter fencing around the Odorizer sites to enclose and protect the odorizers and related equipment.

- (f) Communication Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the monthly cost of public telephone or cellular service for the communications equipment used to monitor the operation of the odorizers and the odorant level and for the monthly cost of electrical service used to operate and maintain the odorizers, if electric power is provided to the odorizers from a public supplier.
- (g) Maintenance Cost. Producer will reimburse Peoples, upon receipt of its invoices, for the cost of any regular, periodic, and other odorizer maintenance service, including all labor and necessary replacement parts or equipment, to assure the continued efficient operation of the odorizers. This includes reserve parts held in Peoples' stock to enable timely and proficient resolutions.

2.03 Gas Quality Inspections. If Gas sample analysis indicates that any of the Gas quality specifications, requirements and/or standards set forth in this Master Agreement have not been met, Peoples may refuse deliveries until the Producer makes the necessary provisions to fully comply with the Gas quality requirements.

2.04 Gas Quality Inspections. After initial deliveries are received, Peoples reserves the right to periodically sample Gas at the measurement equipment to validate the Gas quality. If the analysis indicates that Gas quality specifications, requirements and/or standards set forth in this Master Agreement are not met, Peoples has the right to shut in the Interconnect indefinitely until the Producer makes the necessary provisions to fully comply. Peoples shall indemnify and hold harmless Producer for any and all environmental, health and safety liabilities directly resulting from Peoples' or its designee's accessing Producer's measurement equipment. Peoples shall also replace, fix and repair, at its cost, any portion of Producer's measurement equipment that Peoples or its designee intentionally or negligently harms, damages or breaks as a result of accessing the equipment.

2.05 Remedies. Should any of the above substances enter Peoples' System and cause damage to metering, regulating and/or other equipment, or interruption of service, Producer shall reimburse Peoples for the costs to repair such damage and for any related costs which Peoples may incur to restore service to, and/or repair facilities of, its customers, including payments made by Peoples to customers in settlement of claims arising out of interruption of Gas service; provided that Producer was notified that Peoples was invoking indemnification under Section 13.03 and Producer was given the opportunity to defend against the claim prior to such settlement agreement. Any such costs may be deducted from payments due Producer for Gas delivered. In addition, if the Gas delivered fails, in Peoples' reasonable opinion, using commercially reasonable discretion, to meet the quality specifications set forth herein, Peoples may elect to refuse to take all, or any portion of such Gas until the Producer bring the Gas into conformity with such specifications. In the case of any such refusal, Producer agrees to exercise all due diligence to bring such Gas into conformance with the specifications set forth herein. Peoples has the right to shut in the Interconnect indefinitely until the Producer makes the necessary provisions to meet the Gas quality standards. Peoples may also elect to require continuous Gas quality monitoring with fail safe shut off as a provision to accept existing or new deliveries. Damages as a result of Gas quality violations are the responsibility of the Producer and the Interconnect shall be shut-in until damages are paid in full.

**SCHEDULE 1 TO  
 APPENDIX B TO MASTER AGREEMENT  
 WATER VAPOR CONTENT**

**PEOPLES NATURAL GAS**  
**ALLOWABLE WATER VAPOR LEVEL (#/MMSCF) VS. REGULATOR SET PRESSURE (PSI)**

<i>PSI</i>	<i>#/mmscf</i>
1	543
2	511
3	482
4	457
5	434
6	413
7	394
8	377
9	361
10	347
11	334
12	321
13	310
14	299
15	289
16	280
17	271
18	263
19	256
20	248
21	241
22	235
23	229
24	223
25	218
26	212
27	207
28	203
29	198
30	194
31	190
32	186
33	182
34	178
35	175
36	171
37	168
38	165
39	162
40	159
41	156
42	154
43	151
44	149
45	146
46	144
47	142
48	139
49	137
50	135

<i>PSI</i>	<i>#/mmscf</i>
51	133
52	131
53	129
54	128
55	126
56	124
57	122
58	121
59	119
60	118
61	116
62	115
63	113
64	112
65	111
66	109
67	108
68	107
69	106
70	104
71	103
72	102
73	101
74	100
75	99
76	98
77	97
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85	89
86	88
87	88
88	87
89	86
90	85
91	85
92	84
93	83
94	82
95	82
96	81
97	80
98	80
99	79
100	78

<i>PSI</i>	<i>#/mmscf</i>
105	75
110	72
115	70
120	67
125	65
130	63
135	61
140	59
145	57
150	56
155	54
160	53
165	52
170	50
175	49
180	48
185	47
190	46
195	45
200	21
205	21
210	20
215	20
220	20
225	19
230	19
235	19
240	18
245	18
250	18
255	17
260	17
265	17
270	16
275	16
280	16
285	16
290	16
300	15
310	15
320	14
330	14
350	13
375	13
400	12

Peoples reserves the right to require more stringent water vapor standards in limited and specific situations where Peoples has determined through water vapor testing that the water vapor levels at identified production meter points are affecting customer service or creating operational issues.

**EXHIBIT A-**  
**to**  
**Master Agreement**

**Additional Terms and Conditions Governing Transportation of Gas**

This Exhibit A ("Exhibit") is made part of and is subject to the terms and conditions of the Master Agreement made and entered into by and between **Peoples Natural Gas Company LLC**, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as "Peoples"), and **[Producer]** with an office at [Address] (hereinafter referred to as "Producer"). Producer and Peoples are also referred to herein individually as a "Party" and collectively as the "Parties."

This Exhibit A- shall supersede, in its entirety, and terminate without cause, any the previously executed Agreement(s) between the Parties for the transport of Gas for the Receipt Point(s) identified herein including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions.

The Service Term Start Date for each individual Receipt Point shall be the latter of \_\_\_\_\_ or the first day of the immediately succeeding Production Period in which Producer delivers Gas to Peoples at the Receipt Point. The Service Term End Date for each individual Receipt Point shall be \_\_\_\_\_. After this initial term, this Exhibit will automatically renew for month-to-month periods unless either Producer or Peoples provides written notice of termination to the other party at least (thirty) 30 days prior to the expiration date. If either party terminates a Receipt Point, the Producer's Interconnect Facility(ies) will be disconnected, and the Interconnect shall be abandoned unless a subsequent Exhibit is executed within thirty (30) calendar days.

The Rates for Gathering are subject to the applicable tariff in effect at the time of delivery into the Peoples' System. These charges are subject to change. Rates for certain qualifying incremental conventional production, and for unconventional horizontal production and landfill production shall be determined by Peoples based on supporting information provided to Peoples by the Producer and in accordance with the applicable tariff and shall be specified in Schedule 1 to this Exhibit. On behalf of PIOGA, Peoples will charge an optional \$0.01/Mcf retention fee for Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit; said fee will be remitted directly to PIOGA by Peoples. Producer specifically authorizes Peoples to provide the Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit to PIOGA, in writing, on a regular basis in order to verify the remitted retention fee. Should Producer decline the optional retention fee, no Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit will be provided to PIOGA.

The Receipt Point(s) and applicable Retainage Percentage and Gathering Rate shall be identified in Schedule 1 to Exhibit A- , which is attached hereto and made a part hereof.

This Exhibit shall become effective upon its execution by both Peoples and Producer and shall continue in full force and effect through the end of the latest Service Term End Date set forth herein, including any extensions thereof. The obligations of Producer to make payment hereunder and the obligation of Producer to indemnify Peoples, and Peoples to indemnify Producer, pursuant hereto shall survive the termination or cancellation of the Master Agreement and this Exhibit. Peoples shall have the right to terminate this Exhibit, upon thirty (30) days advance written notice to Producer, if Gas has not flowed for the previous period of twelve (12) consecutive months, or if Peoples or its designee has caused the Interconnect Facilities to be disconnected or removed.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS**

IN WITNESS WHEREOF, Peoples and Producer have duly executed this Exhibit on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PEOPLES NATURAL GAS COMPANY LLC**

**[PRODUCER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1 TO  
EXHIBIT A- [REDACTED] TO MASTER AGREEMENT  
RECEIPT POINT(S), RETAINAGE PERCENTAGE AND GATHERING RATE**

Unless otherwise set forth below, the Retainage Percentage and the Gathering Rate for the following Receipts Point(s) are subject to the applicable tariff in effect at the time of Gas delivery into the Peoples' System and are subject to change.

<b>Receipt Point(s)</b>	<b>Special Terms for Unconventional Wells</b>

**EXHIBIT A-**  
**to**  
**Master Agreement**

**Additional Terms and Conditions Governing the Purchase of Gas**

This Exhibit A ("Exhibit") is subject to the terms and conditions of the Master Agreement made and entered into by and between **Peoples Natural Gas Company LLC**, with an office located at 375 North Shore Drive, Pittsburgh, Pennsylvania 15212 (hereinafter referred to as "Peoples"), and **[Producer]** with an office at [Address] (hereinafter referred to as "Producer"). Producer and Peoples are also referred to herein individually as a "Party" and collectively as the "Parties."

This Exhibit A shall supersede, in its entirety, and terminate without cause, the previously executed Agreement(s) between the Parties for the purchase of Gas for the Receipt Point(s) identified herein, including, but not limited to, prior Transportation Agreements, Gas Purchase Agreements, Production Enhancement Agreements, Field Purchase Agreements, Measurement Operating Agreements and Interconnection Agreements; however agreements related to blending and compression requirements, such as Gathering Interconnect Compression Agreements and Blending Service and Operation Agreements, shall not be terminated and shall continue pursuant to their terms and conditions.

The following sets forth the additional terms and conditions whereby Peoples shall purchase Gas from Producer at the specific Receipt Point(s) identified in this Exhibit.

1. **Sale and Purchase Obligations.** Producer shall produce and sell to Peoples, and Peoples shall take and pay for, quantities of Gas delivered to the Receipt Point(s) set forth below. Peoples shall have no obligation to pay for any Gas until such time as it has been produced and delivered to the designated Receipt Point(s). Except in instances where Peoples and Producer agree otherwise, Producer's sale shall be a full requirements sale where all Gas produced shall be delivered to Peoples. Notwithstanding the foregoing, Peoples may reduce or suspend its purchases under this Master Agreement in the event that Peoples has insufficient pipeline capacity or insufficient market demand to facilitate the sale and/or use of Producer's Gas. Upon notice to Producer, Producer shall promptly comply with Peoples' reduction or suspension request. As provided for in Section 6.07 of the Master Agreement, in the event Peoples should ever cease, in whole or in part, to sell Gas directly to end-use customers (otherwise known as providing merchant or sales service), then Peoples may, in its sole discretion, terminate this Exhibit, or the Master Agreement, upon at least sixty (60) days written notice to Producer.
2. **Agency.** Peoples reserves the right to act as Producer's agent to market the production dedicated hereunder while continuing to pay Producer the price set forth in this Exhibit. All other terms and conditions of the agreement shall remain in full force and effect.
3. **Title to Gas.** Producer warrants that it will have good and merchantable title to or will have the right to sell all Gas delivered under this Master Agreement and that such Gas will be free and clear of all liens, encumbrances, and adverse claims by third parties. Producer shall indemnify and hold Peoples harmless from any and all suits, claims, actions, debts, levies, accounts, damages, costs, losses, and expenses of any nature arising from or out of any adverse claims of any kind or nature asserted by any person or entity concerning such Gas, including, but not limited to any claims, suits, actions, or demands that may arise due to the nonpayment of any landowner royalties, overriding royalties, or rentals.
4. **Possession, Control, and Liability.** Title to all Gas purchased under this Master Agreement shall pass from Producer to Peoples at the Receipt Point(s). As between the Parties to this Master Agreement, Producer shall be deemed to be in possession and control of the Gas to be delivered to Peoples until

Producer delivers the Gas to Peoples at the Receipt Point(s), and Peoples shall be deemed in possession and control thereafter.

5. **Peoples' Monthly Production Statement and Payment.** On or before the last business day of each calendar Month during the term of this Master Agreement, Peoples shall: (i) send Producer a Production Statement, in either hardcopy or electronic form, reflecting the Producer Sales Volume(s) during the relevant Production Period; and (ii) make payment to Producer by check or by automated clearinghouse (ACH) direct deposit pursuant to a separate ACH direct deposit agreement.
6. **Producer's Agent.** Although the terms of this Master Agreement extend to and are binding upon all Parties hereto, their respective heirs, successors, personal representatives and assigns, in no event will Peoples remit, or be required to remit, payment to more than one (1) payee per month in exchange for the Gas produced and sold hereunder. Accordingly, Producer hereby appoints the following Agent to receive all statements and payments hereunder:

Name: \_\_\_\_\_ (the "Agent")  
Address: \_\_\_\_\_  
\_\_\_\_\_

The Agent is authorized to give the necessary receipts and acquaintances to Peoples and to make adjustments and settlements under this Master Agreement, and Peoples shall have no obligation with respect to, or responsibility for, the application of any Gas purchase proceeds paid to the Agent. If at any time the Agent shall resign or be discharged or shall otherwise be unable or unwilling so to act, Peoples may withhold further payment of money for purchase of Gas hereunder, without liability for interest, until Peoples is furnished by Producer with the necessary documentation (properly executed and acknowledged by all necessary parties) designating a new agent, as the case may be, to receive such payment, for all parties interested in such payment.

7. **Royalties.** In no event will Peoples be obligated to make royalty, over-riding royalty or working interest payments for Gas purchased under this Master Agreement.
8. **Regulatory Authorities.** Peoples shall use reasonable efforts to obtain the necessary regulatory approvals from the Commission to recover the prices paid to Producer for Gas purchased under this Master Agreement. If the Commission issues an order, opinion, act, regulation, or rule that prohibits Peoples from recovering as part of Peoples' Gas cost recovery proceeding the full price paid to Producer for Gas purchased under this Master Agreement, then Peoples may at any time: (i) credit the difference between the price paid for Gas under this Master Agreement and the amount permitted to be recovered through Peoples' rates against amounts due Producer; or (ii) receive a refund of such amounts directly from Producer upon request by Peoples.
9. **Taxes.** Producer shall pay or cause to be paid all taxes, fees, levies, penalties, licenses or charges imposed by any government authority ("Taxes") on or with respect to the Gas upstream of Receipt Point(s) and all Taxes at the Receipt Point(s). Peoples shall pay or cause to be paid all Taxes on or with respect to the Gas downstream of Receipt Point(s). If a party is required to remit or pay Taxes which are the other Party's responsibility hereunder, the Party responsible for such Taxes shall promptly reimburse the other Party for such Taxes. Any Party entitled to an exemption from any such Taxes or charges shall furnish the other Party any necessary documentation thereof.
10. **Service Term.** The Service Term Start Date for each individual Receipt Point shall be the latter of the \_\_\_\_\_ or the first day of the immediately succeeding Production Period in which Producer delivers Gas to Peoples at the Receipt Point. The Service Term End Date for each individual transaction shall be \_\_\_\_\_. After this initial Service Term, this Exhibit will automatically renew

from month-to-month periods unless either Producer or Peoples provides written notice of termination to the other party at least thirty (30) days prior to the expiration date. If either party terminates a Receipt Point Exhibit, the Producer will be disconnected, and the Interconnect shall be abandoned unless a subsequent Exhibit is executed within thirty (30) calendar days.

11. **Receipt Point(s).** The Receipt Point(s), Retainage Percentage, Gathering Rate and Purchase Price shall be identified in Schedule 1 to Exhibit A-    , which is attached hereto and made a part hereof.
12. **Rates.** The rates for gathering charges are subject to the applicable tariff in effect at the time of delivery into the Peoples system. These charges are subject to change. Rates for certain qualifying incremental conventional production, and for unconventional horizontal production and landfill production shall be determined by Peoples based on supporting information provided to Peoples by the producer and in accordance with the applicable tariff. On behalf of PIOGA, Peoples will charge an optional \$0.01/Mcf retention fee for Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit; said fee will be remitted directly to PIOGA by Peoples. Producer specifically authorizes Peoples to provide the Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit to PIOGA, in writing, on a regular basis in order to verify the remitted retention fee. Should Producer decline the optional retention fee, no Producer Sales Volumes associated with the Receipt Point(s) identified in this Exhibit will be provided to PIOGA.

The Receipt Point(s) and applicable Retainage Percentage and Gathering Rate shall be identified in Schedule 1 to Exhibit A-    , which is attached hereto and made a part hereof.

This Exhibit shall become effective upon its execution by both Peoples and Producer and shall continue in full force and effect through the end of the latest Service Term End Date set forth herein, including any extensions thereof. The obligations of Peoples to make payment hereunder for Gas which has been delivered and the obligation of Producer to indemnify Peoples, and Peoples to indemnify Producer, pursuant hereto shall survive the termination or cancellation of the Master Agreement and this Exhibit. Peoples shall have the right to terminate this Exhibit, upon thirty (30) days advance written notice to Producer, if Gas has not flowed for the previous period of twelve (12) consecutive months, or if Peoples or its designee has caused the Interconnect facilities to be disconnected or removed.

**SIGNATURE PAGE IMMEDIATELY FOLLOWS**

**IN WITNESS WHEREOF**, Peoples and Producer have duly executed this Exhibit on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

**PEOPLES NATURAL GAS COMPANY LLC**

**[PRODUCER]**

By: \_\_\_\_\_

By: \_\_\_\_\_

Name: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

**AGENT**

**Acknowledged as to the obligations of Agent only**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**SCHEDULE 1 TO  
 EXHIBIT A- [REDACTED] TO MASTER AGREEMENT  
 RECEIPT POINT(S), CONTRACT PRICE, RETAINAGE PERCENTAGE AND GATHERING RATE**

Unless otherwise set forth below, the Retainage Percentage and the Gathering Rate for the following Receipts Point(s) are subject to the applicable tariff in effect at the time of Gas delivery into the Peoples' System and are subject to change.

<b>Receipt Point(s)</b>	<b>Contract Price</b>	<b>Special Terms for Unconventional Wells</b>
xxxx	____ % Inside F.E.R.C. First of the Month Eastern Gas Appalachia Index* \$/xxx	
xxxx	____ % Inside F.E.R.C. First of the Month Eastern Gas Appalachia Index* \$/xxx	

**Peoples Natural Gas Company LLC**

§ 53.53 III.E

- 28. Provide a statement explaining the details of firm gas purchase (long-term) contracts with affiliated and nonaffiliated utilities, including determination of costs, terms of contract, and other pertinent information.

\*\*\*\*\*

Peoples does not have any firm gas purchase contracts with an affiliate.

Peoples Natural Gas Company LLC has two long-term natural gas purchase arrangements with the nonaffiliated EQT Energy. The term of one arrangement is from December 17, 2013 through December 16, 2033. It allows Peoples to purchase a daily minimum of zero dekatherms to a daily maximum of 164,935 dekatherms. These purchases may be made at any receipt point on Equitrans’ Mainline or Sunrise systems, or at other mutually agreed upon Equitrans points. The arrangement requires a minimum calendar year annual purchase of 20,000,000 dekatherms. The arrangement specifies different terms for purchases that are baseload or intra-month. For baseload purchases, Peoples must provide EQT Energy its requested daily baseload purchase quantity no later than 8:00 AM EDT, five business days before the first day of the relevant month. Only baseload purchases are permitted under the arrangement for the months of April through October. All baseload purchases are priced at “Inside FERC” Eastern Gas, Appalachia, index with no adjustment, related to the month of flow. The agreement allows Peoples to make daily intra-month calls for the months of November, December, January, February and March. The intra-month purchase provisions require Peoples to make its daily election by 8:00 AM EDT for the following day of flow, or days of flow if the next days are weekends or holidays. Intra-month quantities are priced as “Gas Daily”, Eastern Gas, South Point, Midpoint, index, with no adjustment, related to the days of flow. During the months of November, December, January, February and March, Peoples pays a demand charge of \$0.1746 multiplied by 164,935 dekatherms for each day of the month in consideration of the intra-month purchase option. For any day of the year, the maximum daily and baseload purchase total cannot exceed 164,935 dekatherms.

Peoples’ second long-term agreement with EQT Energy has a term of April 1, 2014 through March 31, 2034. It allows Peoples to purchase a daily minimum of zero dekatherms and a daily maximum of 251,700 dekatherms. These purchases may be made at any receipt point on Equitrans’ Mainline or Sunrise systems, or at other mutually agreed upon Equitrans points. The arrangement requires a minimum purchase of 15,000,000 dekatherms for periods starting with April 1<sup>st</sup> and ending March 31<sup>st</sup> of the following calendar year. The arrangement specifies different terms for purchases that are baseload or intra-month. For baseload

purchases, Peoples must provide EQT Energy its requested daily baseload purchase quantity no later than 8:00 AM EDT, five business days before the first day of the relevant month. Only baseload purchases are permitted under the arrangement for the months of April through October. All baseload purchases are priced at "Inside FERC" Eastern Gas, Appalachia, index with no adjustment, related to the month of flow. The agreement allows Peoples to make daily intra-month calls for the months of November, December, January, February, and March. The intra-month purchase provisions require Peoples to make its daily election by 8:00 AM EDT for the following day of flow, or days of flow if the next days are weekends or holidays. Intra-month quantities are priced as "Gas Daily", Eastern Gas, South Point, Midpoint, index, with no adjustment, related to the days of flow. During the months of November, December, January, February and March, Peoples pays a demand charge of \$0.1746 multiplied by 251,700 for each day of the month in consideration of the intra-month purchase option. For any day of a period starting with April 1<sup>st</sup> and ending March 31<sup>st</sup> of the following calendar year, the maximum daily and baseload purchase total cannot exceed 251,700 dekatherms.

**Peoples Natural Gas Company LLC**  
§ 53.53 IV.B

- 4. Provide an exhibit for each customer classification showing the following data for the test year and the four previous years:
  - a. The maximum coincident peak day demand.
  - b. The maximum coincident 3-day peak day demand.
  - c. The average monthly consumption in MCF during the Primary Heating Season (November-March).
  - d. The average monthly consumption in MCF during the Non-heating season (April-October).
  - e. The average daily consumption in MCF for each 12-month period.

\*\*\*\*\*

a.b. Page 2 of this response shows the maximum peak and 3-day peak for Peoples combined divisions for the prior five years.

c.d.e. Refer to the response to Exhibit 10 Schedule 2.

Peoples Natural Gas Company LLC - Combined Divisions  
 Exhibit 12, Schedule 13 a,b  
 Three-Day Peak and Single Day Peak  
 Witness: John Taylor Page 2 of 2

Heating Season	Three-Day Single-Day Peak	VOLUMES									
		Retail				Transportation				CU & UFG	TOTAL
		RS	SGS	MGS	LGS	RS	SGS	MGS	LGS		
2024-2025	January 20	484,916	76,127	34,888	989	71,693	32,005	126,585	250,543	70,013	1,147,759
	January 21	514,817	80,822	37,039	1,050	76,114	33,978	134,390	265,992	74,330	1,218,532
	January 22	483,340	75,880	34,775	986	71,460	31,901	126,174	249,729	69,786	1,144,029
	January 21	514,817	80,822	37,039	1,050	76,114	33,978	134,390	265,992	74,330	1,218,532
2023-2024	January 15	402,734	63,226	28,975	822	59,543	26,581	105,132	208,082	58,148	953,242
	January 16	462,347	72,584	33,264	943	68,356	30,515	120,693	238,882	66,755	1,094,340
	January 17	427,508	67,115	30,758	872	63,205	28,216	111,599	220,882	61,725	1,011,879
	January 16	462,347	72,584	33,264	943	68,356	30,515	120,693	238,882	66,755	1,094,340
2022-2023	December 23	500,077	71,642	37,700	2,029	82,230	39,013	125,095	280,146	71,990	1,209,923
	December 24	473,432	67,825	35,691	1,921	77,849	36,934	118,430	265,219	68,155	1,145,457
	December 25	428,477	61,385	32,302	1,739	70,457	33,427	107,184	240,035	61,683	1,036,689
	December 23	500,077	71,642	37,700	2,029	82,230	39,013	125,095	280,146	71,990	1,209,923
2021-2022	January 20	391,525	56,091	29,516	1,589	64,380	30,544	97,941	219,334	56,363	947,283
	January 21	421,882	60,440	31,805	1,712	69,372	32,913	105,535	236,341	60,734	1,020,733
	January 22	360,910	51,705	27,208	1,465	59,346	28,156	90,282	202,184	51,956	873,213
	January 26	438,245	62,784	33,038	1,778	72,063	34,189	109,628	245,507	63,089	1,060,321
2020-2021	January 27	334,126	48,253	27,484	1,368	52,083	25,387	78,737	180,026	47,288	794,753
	January 28	389,728	56,283	32,058	1,596	60,750	29,611	91,840	209,985	55,157	927,010
	January 29	383,187	55,338	31,520	1,569	59,731	29,114	90,299	206,460	54,231	911,449
	February 16	395,149	56,610	29,789	1,604	64,976	30,827	98,847	221,365	56,885	956,053

**Peoples Natural Gas Company LLC**  
**Peoples Division**  
§ 53.53 IV.B

13. Submit the projected demands for all customer classes for both purchased and produced gas for the three years following the test year filing.

\*\*\*\*\*

Refer to Exhibit No. 3, Schedule No. 15 (53.53.III.E.14) Attachment D for FTY and FPFTY projected demands. For periods beyond the FPFTY, the FPFTY can be used as a proxy.

**Peoples Natural Gas Company LLC**  
§ 53.53 III.E

3. Submit a schedule showing a reconciliation of test year MCF sales and line losses. List all amounts of gas purchased, manufactured and transported.

\*\*\*\*\*

Refer to Exhibit No. 12, Schedule No. 13 (53.53.IV.B.4).

**Peoples Natural Gas Company LLC**

§ 53.53.IV.B

14. Supply an exhibit showing the gas deliveries to each customer class for the most recent 24 month period. The exhibit should identify the source of the gas, such as “purchased” (pipeline), “production” (includes purchases from local producers), “storage withdrawal,” “propane/air,” and “unaccounted for.”

\*\*\*\*\*

Refer to pages 2-3 which reflect the gas deliveries and gas received for the twelve months ended August 31, 2024 and August 31, 2025. The time periods reflect the same time periods as are required for the Unaccounted For Gas (UFG) filings made with the Commission.

**Peoples Natural Gas Company LLC - Reconciliation of Receipts and Deliveries**

Total System

	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Total
Gas Received													
From Production Facilities	2,834,154	3,251,212	3,041,707	3,182,586	3,232,335	3,044,002	3,037,934	2,782,417	2,846,612	2,796,254	2,895,314	2,927,031	35,871,557
From Storage Facilities	2,069	3,670	47,054	113,831	291,160	184,974	271,481	535,007	69,786	4,214	2	-	1,523,248
From Interstate Pipeline	3,510,140	6,153,531	12,224,187	12,931,643	18,242,798	13,590,571	10,328,277	6,323,423	4,015,428	3,373,220	3,339,515	3,279,737	97,312,471
Exchange PTWP & Columbia	13,587	30,248	72,134	85,783	119,891	89,418	69,817	40,064	16,868	14,659	11,877	10,537	574,883
<b>Total Receipts</b>	<b>6,359,950</b>	<b>9,438,661</b>	<b>15,385,082</b>	<b>16,313,844</b>	<b>21,886,184</b>	<b>16,908,965</b>	<b>13,707,509</b>	<b>9,680,911</b>	<b>6,948,694</b>	<b>6,188,347</b>	<b>6,246,707</b>	<b>6,217,305</b>	<b>135,282,159</b>
Gas Delivered													
To Customers	5,015,858	7,662,212	14,113,591	15,738,689	20,359,396	16,215,825	12,753,894	9,183,695	6,306,919	4,923,330	5,197,191	5,060,215	122,530,816
To Storage Facilities	233,953	388,013	131,775	35,136	1,414	9,094	4,617	20	1,182	162,742	89,855	97,227	1,155,028
To Transmission (Off System)	305,748	284,359	85,170	89,191	97,853	2	-	25,358	199,201	241,562	237,158	232,297	1,797,899
Exchange PTWP & Columbia	13,651	20,907	29,405	22,758	35,721	40,308	43,349	26,848	10,596	23,153	7,341	7,015	281,052
<b>Total Deliveries</b>	<b>5,569,210</b>	<b>8,355,491</b>	<b>14,359,941</b>	<b>15,885,774</b>	<b>20,494,384</b>	<b>16,265,229</b>	<b>12,801,860</b>	<b>9,235,921</b>	<b>6,517,898</b>	<b>5,350,787</b>	<b>5,531,545</b>	<b>5,396,754</b>	<b>125,764,795</b>
Adjustments													
<b>Total Adjustments</b>	<b>247,301</b>	<b>262,429</b>	<b>261,833</b>	<b>307,629</b>	<b>383,870</b>	<b>382,276</b>	<b>306,435</b>	<b>245,991</b>	<b>212,574</b>	<b>231,342</b>	<b>248,763</b>	<b>239,929</b>	<b>3,330,371</b>
UFG (mcf)	543,438	820,741	763,308	120,440	1,007,930	261,460	599,214	199,000	218,222	606,217	466,399	580,622	6,186,993

**Peoples Natural Gas Company LLC - Reconciliation of Receipts and Deliveries**

Total System

	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25	Jul-25	Aug-25	Total
Gas Received													
From Production Facilities	2,815,011	2,986,216	2,717,923	2,940,458	2,937,941	2,649,789	2,747,292	2,936,057	2,672,524	2,518,010	2,603,302	2,637,465	33,161,987
From Storage Facilities	335	1,596	1,935	3,285	381,948	181,378	300,607	375,139	243,654	48,754	56	107	1,538,795
From Interstate Pipeline	3,600,143	6,128,688	10,038,470	16,572,127	22,783,664	17,583,626	11,130,049	7,234,662	4,534,278	3,657,276	3,776,996	4,074,072	111,114,051
Exchange PTWP & Columbia	16,893	31,524	60,989	104,981	147,315	111,120	73,892	43,478	26,476	14,438	11,515	12,095	654,716
<b>Total Receipts</b>	<b>6,432,382</b>	<b>9,148,024</b>	<b>12,819,317</b>	<b>19,620,851</b>	<b>26,250,868</b>	<b>20,525,913</b>	<b>14,251,840</b>	<b>10,589,336</b>	<b>7,476,932</b>	<b>6,238,478</b>	<b>6,391,869</b>	<b>6,723,739</b>	<b>146,469,549</b>
Gas Delivered													
To Customers	4,942,657	7,688,308	12,028,429	18,610,300	24,974,698	19,348,894	13,503,170	9,761,885	6,918,401	5,160,064	5,117,619	5,135,601	133,190,026
To Storage Facilities	505,290	366,441	214,909	69,322	9,211	3,030	24	-	815	63,877	338,315	455,013	2,026,247
To Transmission (Off System)	215,321	196,999	-	-	-	-	-	-	125,489	231,138	257,927	266,318	1,293,192
Exchange PTWP & Columbia	7,749	18,856	36,369	41,463	103,798	79,280	49,109	31,282	15,360	10,808	9,364	7,245	410,683
<b>Total Deliveries</b>	<b>5,671,017</b>	<b>8,270,604</b>	<b>12,279,707</b>	<b>18,721,085</b>	<b>25,087,707</b>	<b>19,431,204</b>	<b>13,552,303</b>	<b>9,793,167</b>	<b>7,060,065</b>	<b>5,465,887</b>	<b>5,723,225</b>	<b>5,864,177</b>	<b>136,920,148</b>
Adjustments													
<b>Total Adjustments</b>	<b>240,187</b>	<b>280,911</b>	<b>249,965</b>	<b>354,148</b>	<b>410,797</b>	<b>399,711</b>	<b>321,019</b>	<b>230,361</b>	<b>203,865</b>	<b>206,982</b>	<b>238,003</b>	<b>217,760</b>	<b>3,353,709</b>
UFG (mcf)	521,177	596,509	289,645	545,619	752,364	694,997	378,518	565,808	213,002	565,609	430,641	641,802	6,195,692

**Peoples Natural Gas Company LLC**

§ 53.53.III.A

39. Identify the specific witness for all statements and schedules of revenues, expenses, taxes, property, valuation, etc.

\*\*\*\*\*

The general scope of witness responsibility is shown below, followed by a schedule indicating the witness for each filing request or standard data request.

<u>Statements/Schedules</u>	<u>Witness</u>
Accounting & "Per Books" Financial Statements	Joyce Mitole
Company Strategy	Michael Huwar
Company Operations	Paul Becker and Edward Palombo
Gas Supply	Edward Palombo
<u>Measures of Value</u>	
Gas Plant and Adjustments	Nick Tufarolo
Depreciation Reserve	John J. Spanos
Cash Working Capital	Anton Ribich
Accumulated Deferred Taxes	Angela Jiang
<u>Return</u>	
Capitalization	Jennifer Nelson
Rate of Return	Jennifer Nelson
<u>Balance Sheet</u>	Joyce Mitole
<u>Income Statement</u>	
<i>Operating Revenues:</i>	
Volume, Present Rates and Revenue,	
Proposed Rates	Dawn Folks
Revenue Claim	Carol Scanlon
<i>Operating Revenue Deductions:</i>	
O&M Expense & Adjustments	Andrew Wachter
Purchased Gas Costs Adjustments	Andrew Wachter
Depreciation Expense	John J. Spanos
Taxes	Angela Jiang
<u>Rate Design</u>	
Cost of Service – Class Allocation	John Taylor
Rate Design	John Taylor
Tariff	Krista Snyder

**Peoples Natural Gas Company LLC**

§ 53.52(a)

6. The effect of the change on the service rendered by the utility.

\*\*\*\*\*

Services rendered by the utility will not be impacted by the changes to rates.

**Peoples Natural Gas Company LLC**

§ 53.53.II.A

13. Attach copies of the summaries of the projected 2 year's Company's budgets (revenue, expense and capital).

\*\*\*\*\*

Refer to the response to Exhibit No. 2, Schedule No. 4 (53.53.III.A.17) for Revenues and Expenses and Exhibit No. 19, RR-14 (VI.I.RR.14) for the Capital Budget.

**Peoples Natural Gas Company LLC**

§ 53.53.III.A

40. Adjustments which are estimated shall be fully supported by basic information reasonably necessary.

\*\*\*\*\*

All adjustments were based on annualizing and normalizing the 12 months ended November 30, 2025. The derivation and support behind the adjustments are shown in the following exhibits:

Exhibit 2	Income Statement
Exhibit 3	Revenues
Exhibit 4	O&M Expenses
Exhibit 5	Depreciation
Exhibit 6	Taxes Other Than Income Taxes
Exhibit 7	Income Taxes
Exhibit 8	Rate Base

**Peoples Natural Gas Company LLC**

§ 53.53.III.A

- 44. Ratios, percentages, allocations and averages used in adjustments must be fully supported and identified as to source.

\*\*\*\*\*

When ratios, percentages, allocations and averages are used in adjustments, they are identified on the appropriate exhibits.

**Peoples Natural Gas Company LLC**

§ 53.53.III.A

- 46. Supply a copy of internal and independent audit reports of the test year and prior calendar year, noting any exceptions and recommendations and disposition thereof.

\*\*\*\*\*

Internal Audit report recommendations are required to be addressed in a timely manner, and accordingly the implementation of management commitments is monitored by Internal Audit.

The response to this question contains confidential information and is contained in a separate book of the filing marked confidential information. This information will be provided to parties upon execution of a CONFIDENTIALITY AGREEMENT to be circulated by the Company pursuant to the terms of that agreement.

**Peoples Natural Gas Company LLC**

§ 53.53.III.E

27. Submit a schedule for gas producing units retired or scheduled for retirement subsequent to the test year showing station, units, MCF capacity, hours of operation during test year, net output produced and cents/MCF of maintenance and fuel expenses.

\*\*\*\*\*

Peoples Natural Gas Company LLC has no gas producing units retired or scheduled for retirement.

**Peoples Natural Gas Company LLC**

§ 53.53.III.A

- 41. Submit a statement explaining the derivation of the amounts used for projecting future test year level of operations and submit appropriate schedules supporting the projected test year level of operations.

\*\*\*\*\*

Exhibits explaining the derivation of the amounts used for projecting a Future Test Year (12 months ending November 30, 2026) and a Fully Projected Future Test Year (12 months ending December 31, 2027) are:

Exhibit 2	Income Statement
Exhibit 3	Revenues
Exhibit 4	O&M Expenses
Exhibit 5	Depreciation
Exhibit 6	Taxes Other Than Income Taxes
Exhibit 7	Income Taxes
Exhibit 8	Rate Base

**Peoples Natural Gas Company LLC**

§ 53.53.III.A

19. List extraordinary property losses as a separate item, not included in operating expenses or depreciation and amortization. Sufficient supporting data must be provided.

\*\*\*\*\*

Peoples Natural Gas Company LLC had no extraordinary property losses during the twelve months ended November 30, 2025.

**Peoples Natural Gas Company LLC**

§ 53.52(a)

1. The specific reasons for each change.

\*\*\*\*\*

The rate changes are being proposed to allow Peoples a reasonable opportunity to recover revenue sufficient to cover its operating expenses and increases to rate base and provide a reasonable opportunity to earn a fair rate of return.

**Peoples Natural Gas Company LLC**

§ 53.53.III.A

- 45. Provide an explanation of any differences between the basis or procedure used in allocations of revenues, expenses, depreciation and taxes in the current rate case and that used in the prior rate case.

\*\*\*\*\*

Refer to Peoples Statement No. 17, the direct testimony of John Taylor for an explanation and description of proposed changes in allocation methodologies and rate classes.

**Peoples Natural Gas Company LLC**  
§ 53.52 (a)

(11) FCC, FERC or Commission orders or rulings applicable to the filing.

\*\*\*\*\*

On May 6 2021, the Pennsylvania Public Utility Commission approved the Joint Petition Settlement for surcredit associated with tax repair election submitted by Peoples Natural Gas Company LLC (“Peoples” or the “Company”) at Docket No. P-2020-3021191. Effective for the tax year ended December 31, 2020, Peoples applied a negative percentage to the customer and base rate delivery charge under all rate schedules excluding any customer who received a discounted flexible delivery charge rate. The purpose of the surcredit is to refund the entire tax benefit of a catch-up tax deduction resulting from the Company’s defining its property under the Internal Revenue Services’ Treasury Regulations 1.263(a)-3 and 1.162-4. This catch-up deduction represents the difference between federal and state income tax depreciation claimed versus the repair deductions that would have been claimed for the tax years ended December 31, 2012 through March 15, 2020. The refund period was increased from a five-year period to a ten-year period, pursuant to the amendment issued at Docket No. R-2023-3044549. The amount of the tax benefit to be refunded in the extended amortization period is net of amounts already refunded prior to January 1, 2025.

On August 25, 2022, the Pennsylvania Public Utility Commission approved the Joint Application for Merger of Peoples Natural Gas Company LLC and Peoples Gas Company LLC at Docket Nos. A-2021-3029831 and A-2021-3029833. Effective January 1, 2023, Peoples Gas Company LLC was legally merged with and into Peoples Natural Gas Company LLC. The merged entity operated two separately tariffed rate divisions at the state level: Peoples Natural Gas Company LLC – Peoples Natural Gas Division and Peoples Natural Gas Company LLC – Peoples Gas Division through September 26, 2024. Effective September 27, 2024, with the approval of Peoples’ base rate case filing at Docket No. R-2023-3044549, the previous separately tariffed rate divisions were merged into one tariffed rate entity, Peoples Natural Gas Company LLC.

On January 29, 2026 the Pennsylvania Public Utility Commission approved the Merger Application of PNG Gathering LLC into Peoples Natural Gas Company LLC at Docket Nos. A-2025-3056882 and G-2025-3056883. PNG Gathering is a non-utility entity that was formed when Peoples acquired Equitable Gas Company in 2013. PNG Gathering is the owner of the Goodwin/Tombaugh gathering system. When Aqua America, Inc., now Essential, acquired Peoples in 2020, Essential agreed to remediate the Goodwin/Tombaugh gathering system over a 7-year period. Under the Essential Acquisition Settlement, the parties agreed that as the Goodwin/Tombaugh plant was replaced, the plant would be transferred to Peoples and regulated by the Commission as distribution pipeline. The merger of PNG Gathering into Peoples will allow Peoples to transfer the remaining used and useful Goodwin/Tombaugh plant from PNG Gathering to Peoples’ books upon final rehabilitation of the system and dissolve PNG Gathering as a separate corporate entity.

**Peoples Natural Gas Company LLC**

§ 53.52(b)

1. The specific reasons for each increase or decrease.

\*\*\*\*\*

The rate changes are being proposed to allow Peoples a reasonable opportunity to recover revenue sufficient to cover its operating expenses and increases to rate base and provide a reasonable opportunity to earn a fair rate of return.

**Peoples Natural Gas Company LLC**

§ 53.52(a)

5. The direct or indirect effect of the proposed change on the utility's revenue and expenses.

\*\*\*\*\*

Refer to the Proposed Fully Projected Future Test Year information provided in Exhibit No. 2, Schedule No. 4 (53.53.III.A.17).

**Peoples Natural Gas Company LLC**

§ 53.52(a)

10. Plans the utility has for introducing or implementing the changes with respect to its ratepayers.

\*\*\*\*\*

Peoples will notify its ratepayers of the proposed changes through a bill insert in compliance with the Commission's Regulations (52 Pa. Code Section 59.45).

**Peoples Natural Gas Company LLC**

§ 53.52(a)

7. A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).

\*\*\*\*\*

Not applicable.

**Peoples Natural Gas Company LLC**

§ 53.52(a)

- 8. Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.

\*\*\*\*\*

Not applicable.

**Peoples Natural Gas Company LLC**

§ 53.52(a)

9. Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.

\*\*\*\*\*

No customer polls were taken to indicate customer acceptance and desire for the proposed rate changes.