BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania Public Utility Commission	:	
Office of Consumer Advocate	:	
Office of Small Business Advocate	:	
	:	R-2026-3060165
v.	:	C-2026-3060269
	:	C-2026-3060885
Peoples Natural Gas Company LLC	:	
1307(f) Proceeding	:	

RECOMMENDED DECISION

Before
Katrina L. Dunderdale
Administrative Law Judge

Ann Quimby
Administrative Law Judge

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I. INTRODUCTION

This Recommended Decision recommends the Joint Petition for Settlement be adopted without modification, which proposes the Purchased Gas Cost for Peoples Natural Gas Company LLC (Peoples, the Company or PNG), should include a decrease of -$2.1294/Mcf, or -14.5%, for the residential class as of October 1, 2026. The presiding officers recommend the Commission approve the Joint Petition for Settlement as it is in the public interest and consistent with the requirements of the Public Utility Code, 66 Pa.C.S. §§ 1307(f) and 1318. The last reasonable public meeting date before which the Commission must act is September 10, 2026.

II. HISTORY OF THE PROCEEDING

Pursuant to Section 1307(f) of the Public Utility Code, Peoples Natural Gas Company LLC (Peoples Natural Gas, the Company or PNG) filed its initial filing indicating it would propose changes to the Peoples Retail Tariff Gas Pa. P.U.C. No. 48 and the Peoples Supplier Tariff No. S-4. This initial filing on January 30, 2026, was docketed at No. R-2026-3060165.

Thereafter, on April 1, 2026, the Company filed a Pro Forma Supplement with proposed changes to the Peoples Retail Tariff Gas Pa. P.U.C. No. 48 and the Peoples Supplier Tariff No. S-4 and proposed projected changes in tariff rates resulting from changes in purchased gas costs, to become effective on October 1, 2026.[1]

In the tariff supplement, Peoples Natural Gas proposed a decrease of $2.1297 per Mcf, or -14.5%, in the Residential rate for Peoples Natural Gas Company LLC (Peoples Natural Gas or PNG), for recovery of purchased gas costs applicable to

[1] *See* Peoples Natural Gas Exhibit 5 in the Company's Initial Filing.

residential sales service customers. The proposed rates, if approved by the Commission, would produce a decrease in the annual Residential rate from the current $1,466 to the proposed $1,283, or -12.5%, for Peoples' customers.

A Notice of Intervention or Appearance was filed by the Bureau of Investigation and Enforcement (BIE). In addition, Complaints were filed by OCA at Docket No. C-2026-3060269, and by OSBA at Docket No. C-2026-3060885, against Peoples Natural Gas. The presiding officers consolidated OCA and OSBA's complaints into this proceeding in the Prehearing Order.

By Notice issued March 30, 2026, the Office of Administrative Law Judge (OALJ) scheduled a prehearing conference for April 13, 2026, as an initial call-in telephonic prehearing conference, with the presiding officers and all parties appearing through the Commission's conference bridge capability.

On March 30, 2026, the presiding officers served the Prehearing Conference Order on the parties and outlined some procedural rules and processes, including the requirement to file a prehearing memorandum. Prehearing memoranda were filed on behalf of the Company, BIE, OCA and OSBA.

The presiding officers conducted the prehearing conference on April 13, 2026, with the following parties present and represented by counsel: Peoples, BIE, OCA and OSBA. At the prehearing conference, the parties considered issues raised by the filings, discussed prehearing matters and established a litigation schedule.

On April 14, 2026, the presiding officers issued the Prehearing Order, which memorialized the matters discussed, decided and agreed to by the parties during the prehearing conference, including the litigation schedule and adjustments to the discovery rules applicable to the proceeding. In addition, the presiding officers consolidated the complaints of OSBA and OCA into this proceeding.

Following the prehearing conference on April 13, 2026, the representatives from the Company, BIE, OCA, and OSBA participated in informal discussions with each other. On May 6, 2026, counsel for the Company advised the presiding officers that all parties had reached an agreement in principle which would resolve all issues, and the parties did not believe an evidentiary hearing was needed.

Peoples Natural Gas filed the direct testimonies, with associated exhibits, of five witnesses with the initial filing on April 1, 2025. On April 30, 2025, OCA served the written direct testimony of Jerome Mierzwa. On May 13, 2025, Peoples Natural Gas served the written rebuttal testimony of one witness.

On April 10, 2026, Peoples Natural Gas filed a Motion for Protective Order. On April 22, 2026, the presiding officers issued an order granting the Company's request for a Protective Order.

On May 13, 2026, counsel for Peoples filed the Joint Stipulation for Admission of Evidence (Joint Stipulation), on behalf of all the parties. In the Joint Stipulation, the parties requested a suspension of the procedural schedule, pending receipt of the signed settlement agreement. The parties noted Peoples was the only party that pre-served written statements and exhibits, and the parties agreed the statements and exhibits of Peoples should be admitted into the record of this proceeding and expressly waived the opportunity for cross-examination of the witnesses sponsoring those statements and exhibits. The Joint Stipulation did not include signed affidavits from the witnesses who provided testimony.

On May 14, 2026, the OALJ issued the Cancellation Notice that cancelled the evidentiary hearing scheduled for May 18, 2026.

Thereafter, on May 19, 2026, the parties filed a Revised Joint Stipulation for Admission of Evidence (Revised Joint Stipulation) and included the affidavits of the witnesses who provided testimony.

On May 20, 2026, the presiding officers issued the Interim Order, which suspended the litigation schedule and noted the evidentiary hearing scheduled for May 18, 2026, had been cancelled. In addition, the presiding officers specified the following written statements and exhibits, with verifications, were admitted into the hearing record, as shown below[2]:

Peoples Natural Gas Statement No. 1 Direct Testimony of Carol A. Scanlon

Peoples Natural Gas Statement No. 2 Direct Testimony of Steven P. Kolich
With Peoples Natural Gas Exhibit Nos. 1 (partial), 4, 6 (partial), 7 (partial) and 8 (partial).

Peoples Natural Gas Statement No. 3 Direct Testimony of Dawn M. Folks
With Peoples Natural Gas Exhibit Nos. 5, 6 (partial), 7 (partial), 8 (partial), 9, 10, 11 and 12.

Peoples Natural Gas Statement No. 4 Direct Testimony of Anton Ribich
With Peoples Natural Gas Exhibit No. 1 (partial).

Peoples Natural Gas Statement No. 5 Direct Testimony of Scott Orkis
With Peoples Natural Gas Exhibit Nos. 13 and 14.

[2] While OCA had previously served written direct testimony of Jerome Mierzwa, this testimony was not included in the Joint Stipulation and therefore not admitted into the hearing record.

In addition to the above, the presiding officers ordered the parties to include the following information, at a minimum, in the joint settlement for at least four rate classes (residential; small general service; medium general service; large general service): average annual usage (in Mcf); existing or current tariff rates; proposed gas cost; percent change (between existing and proposed); settled-upon gas cost; percent change (between existing and settled-upon); annual bill currently; annual bill as-filed proposed; and annual bill as settled-upon.

On June 12, 2026, the Joint Petition for Settlement of the Section 1307(f) Rate Investigation (Settlement or Joint Petition), including Statements in Support from Peoples Natural Gas, BIE and OCA, was filed with the Secretary's Bureau. Peoples provided a copy of the Settlement to the presiding officers and all parties. OSBA did not join in the Settlement, however, a Letter of Non-Opposition to the Settlement was filed separately by OSBA on June 12, 2026.

On June 18, 2026, the presiding officers issued an Interim Order Closing the Hearing Record.

III. DESCRIPTION AND TERMS OF SETTLEMENT

In accordance with Rule 5.231 of the Commission's Rules of Practice and Procedure, 52 Pa. Code § 5.231, the parties achieved a settlement in principle under which all issues were resolved. The Settlement was fully executed by Peoples, BIE and OCA (signatories, the parties or Joint Petitioners) and consists of 35 pages with six appendices. Appendix A sets forth a table comparing the current rates, the proposed rates and the Settlement rates for each class. Appendix B sets out the retail tariff supplement describing the agreed upon rates with rates to become effective October 1, 2026, subject to updates and tariff modifications. Appendix C sets out the supplier tariff supplement as described in the Settlement. Appendices D through F set forth the Statements in Support of Peoples Natural Gas, BIE and OCA, respectively.

The Joint Petitioners express their agreement with respect to five (5) matters: (1) the Wagner adjustment; (2) Customer Retainage Rates; (3) Producer Retainage Rates; (4) Unaccounted-For Gas (UFG); and (5) Miscellaneous items. The Joint Petitioners specifically agreed to the following settlement terms, as provided in the Settlement at Section II, Numbered Paragraph Nos. 27 through 38, and as provided *verbatim* below.

SETTLEMENT TERMS

> **A. WAGNER ADJUSTMENT**
>
> 27. Peoples will be permitted to include the remaining balance of $434,817 of the damages incurred by the Company in the Company's e-factor for recovery beginning October 1, 2026.
>
> **B. CUSTOMER RETAINAGE RATES**
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> 28. Peoples' stand-alone tariffed retainage rate for all classes, except for Rate MLS customers, effective October 1, 2026 shall be 6.8%.
>
> 29. Peoples' Peoples' Rate MLS retainage rate remains unchanged.

C. PRODUCER RETAINAGE RATES

30. Peoples' producer retainage rate will continue to be 2.61% for all conventional production effective October 1, 2026.

31. The retainage rate for the Goodwin system shall be 28.8% for the period of October 1, 2026 to September 30, 2027.

D. UNACCOUNTED-FOR GAS

32. The Parties acknowledge that Peoples' distribution UFG percentage for the twelve-month period ending August 31, 2025, is in compliance with the Commission's regulations at 52 Pa. Code § 59.111(c)(1).

E. MISCELLANEOUS

33. Peoples' Rate SGS/MGS balancing charge shall be \$0.7555/Mcf, and Peoples Rate LGS balancing charge shall be \$0.2432/Mcf.

34. The overrun and OFO charges incurred and included in this filing were prudently incurred and in compliance with the least cost gas standard.

35. Except as revised by this Settlement, the proposed rates and other requested approvals contained in the Peoples Natural Gas' 2026 PGC filing should be approved.

36. The costs presented by Peoples in Exhibit 6 as a result of the natural gas demand during Winter Storm Fern were prudently incurred and in compliance with the least cost gas standard.

37. In accordance with the provisions of 52 Pa. Code § 53.64(i)(5), the Peoples Natural Gas compliance filing in this proceeding will reflect updated actual and projected over/under collections through September 30, 2026.

38. The parties agree that the Commission should approve the renewals and changes in gas supply, pipeline,

> and storage capacity contracts that are explained in Peoples Natural Gas Statement No. 2 and related exhibits included in the 1307(f)-2026 definitive filing.

Settlement, pp. 7-8.

RATE IMPACT OF SETTLEMENT

In Numbered Paragraph No. 41 of the Settlement, the signatories noted the presiding officers directed the parties to provide the following material in any settlement petition for Peoples' Residential (RS), Small General Service (SGS), Medium General Service (MGS), and Large General Service (LGS) rate classes in their Joint Settlement Petition:

1. Average annual usage in Mcf;
2. Existing or current tariff rates;
3. Proposed gas cost;
4. Percent change between existing and proposed gas cost;
5. Settled-upon gas cost;
6. Percent change between existing and settled-upon gas cost;
7. Current annual bill;
8. Proposed annual bill as-filed; and
9. Annual bill as settled-upon.

Further, in Numbered Paragraph No. 42 of the Settlement, the Joint Petitioners note that, consistent with past proceedings and the presiding officers' directives herein, the requested information is set forth in the table in Appendix A. In Appendix A, the signatories provided the following information:

Table 1: Rate Changes

Rate Schedule	Average Annual Usage (Mcf)	Existing Tariff Rate[3] ($)	Proposed Change ($)	Proposed Percent Change (%)	Settlement Gas Cost Change ($)	Settlement Tariff Rate ($)
RS	80	14.6377	(-2.1297)	(-14.5)	0	12.5079
SGS	250	11.9429	(-2.0893)	(-17.5)	0	9.8536
MGS	1,750	11.6439	(-2.0893)	(-17.9)	0	9.5545
LGS	50,000	10.4671	(-2.08930	(-20.0)	0	8.3778

Rate Schedule	Settlement Percent Change %	Current Annual Bill ($)	Settlement Annual Bill ($)	Difference Annual Bill Settlement ($)	Percent Change Annual Bill %
RS	(-14.5)	1,466	1,283	(-183)	(-12.5)
SGS	(-17.5)	3,258	2,735	(-522)	(-16.0)
MGS	(-17.9)	21,625	17,968	(-3,656)	(-16.9)
LGS	(-20.0)	541,454	436,988	(-104,467)	(-19.3)

Settlement, p. 3.

In addition to the material provided in Appendix A, the presiding officers required the parties to provide the same information in prose. Information on the rate impact of the Settlement was provided in Paragraphs 43 through 62 and is included below in verbatim.

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[3] Per Peoples Natural Gas net billing rate effective on February 12, 2026, in dollars.

A. **Rate RS**

43. For Rate RS, the average annual usage is 86 Mcf. The existing tariff rate for Rate RS is $14.6377.

44. The proposed gas cost for Rate RS is $12.5079. This represents a decrease of $2.1297 or percent change of -14.5% between the existing and proposed gas costs.

45. The settled-upon gas cost between the Joint Petitioners is the same as that proposed in the Company's April 1, 2026 Definitive Filing, *i.e.*, $12.5079. Thus, the percent change between the existing and settled-upon gas cost is also -14.5%.

46. The current annual bill is $1,466. The proposed annual bill, as-filed in the Company's April 1, 2026 Definitive Filing is $1,283. This represents a decrease of $183.00 or percent change of -12.5% between the existing and proposed annual bill.

47. Because the Joint Petitioners agreed to or did not oppose Peoples' proposed gas cost, the proposed annual bill, as-filed, remains the same as the annual bill as settled-upon.

B. **RATE SGS**

48. For Rate SGS, the average annual usage is 250 Mcf. The existing tariff rate for Rate SGS is $11.9429.

49. The proposed gas cost for Rate SGS is $9.8536. This represents a decrease of $2.0893 or percent change of -17.5% between the existing and proposed gas costs.

50. The settled-upon gas cost between the Joint Petitioners is the same as that proposed in the Company's April 1, 2026 Definitive Filing, *i.e.*, $9.8536. Thus, the percent change between the existing and settled-upon gas cost is also -17.5%.

51. The current annual bill is $3,258. The proposed annual bill, as-filed in the Company's April 1, 2026 Definitive Filing is $2,735. This represents a decrease of

$522.00 or percent change of -16% between the existing and proposed annual bill.

52. Because the Joint Petitioners agreed to or did not oppose Peoples' proposed gas cost, the proposed annual bill, as-filed, remains the same as the annual bill as settled-upon.

C. **RATE MGS**

53. For Rate MGS, the average annual usage is 1,750 Mcf. The existing tariff rate for Rate MGS is $11.6439.

54. The proposed gas cost for Rate MGS is $9.5545. This represents a decrease of $2.0893 or percent change of -17.9% between the existing and proposed gas costs.

55. The settled-upon gas cost between the Joint Petitioners is the same as that proposed in the Company's April 1, 2026 Definitive Filing, *i.e.*, $9.5545. Thus, the percent change between the existing and settled-upon gas cost is also -17.9%.

56. The current annual bill is $21,625. The proposed annual bill, as-filed in the Company's April 1, 2026 Definitive Filing is $17,968. This represents a decrease of $3,656.00 or percent change of -16.9% between the existing and proposed annual bill.

57. Because the Joint Petitioners agreed to or did not oppose Peoples' proposed gas cost, the proposed annual bill, as-filed, remains the same as the annual bill as settled-upon.

D. **RATE LGS**

58. For Rate LGS, the average annual usage is 50,000 Mcf. The existing tariff rate for Rate LGS is $10.4671.

59. The proposed gas cost for Rate LGS is $8.3778. This represents a decrease of $2.0893 or percent change of -20.0% between the existing and proposed gas costs.

> 60. The settled-upon gas cost between the Joint Petitioners is the same as that proposed in the Company's April 1, 2026 Definitive Filing, *i.e.*, \$8.3778. Thus, the percent change between the existing and settled-upon gas cost is also -20.0%.
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> 61. The current annual bill is \$541,454. The proposed annual bill, as-filed in the Company's April 1, 2026 Definitive Filing is \$436,988. This represents a decrease of \$104,467 or percent change of -19.3% between the existing and proposed annual bill.
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> 62. Because the Joint Petitioners agreed to or did not oppose Peoples' proposed gas cost, the proposed annual bill, as-filed, remains the same as the annual bill as settled-upon.

Settlement, pp. 9-11.

IV. FINDINGS OF FACT

The signatories agreed to several proposed findings of fact with citations to the record of admitted evidence. As set forth in Section IV, Numbered Paragraphs Nos. 63 through 108 of the Settlement, the signatories asserted these proposed findings provide the information necessary to support the "Findings of Fact" and the proposed findings are adopted and set forth as stated *verbatim* below.

> 63. Peoples pursues its goal of least cost reliable service through a combination of local and interstate assets and supplies. The local assets are Peoples' on-system storage facility and a gathering and distribution system, which have allowed Peoples to deliver local natural gas supplies produced in Pennsylvania and purchased by Peoples from Pennsylvania producers.[4]

[4] Peoples Natural Gas Company St. No. 2, p. 4.

64. Peoples' interstate assets consist of a portfolio of transportation and storage services that Peoples has contracted for with various Federal Energy Regulatory Commission ("FERC")-regulated pipelines, including Eastern Gas Transmission and Storage, Inc. ("EGTS") (f/k/a Dominion Energy Transmission, Inc.), Texas Eastern Transmission LP ("TETCO"), Equitrans, L.P. ("Equitrans"), National Fuel Gas Supply Corporation ("NFG" or "National Fuel"), and Columbia Gas Transmission, LLC ("TCO"). The Company also has interconnects with Tennessee Gas Pipeline Company, LLC ("Tennessee" or "TGP"), but does not currently contract for either transportation or storage services on Tennessee. Those interstate assets give Peoples access to a variety of locations at which it can receive gas supplies that are produced upstream of the Peoples system. The interstate storage assets allow Peoples to use its upstream assets more efficiently, mitigate the effects of price swings in the natural gas market, and enhance the deliverability of Peoples' interstate natural gas supplies during periods of peak demand. Peoples' interstate supplies are primarily EQT Energy, LLC ("EQT Energy") and other Appalachian-produced gas that it purchases from suppliers upstream of the Peoples system for delivery into various receipt points of the interstate pipelines and occasionally purchases on a delivered basis at Peoples' city-gate.[5]

65. Over the 1307(f)-2026 historical period, Peoples' capacity portfolio included: (1) interstate pipeline transportation and storage services from Equitrans; (2) interstate pipeline transportation and storage services from EGTS; (3) interstate pipeline transportation service from TETCO; (4) interstate pipeline transportation and storage services from NFG; and (5) interstate pipeline transportation and storage service from TCO. In addition, Peoples purchases winter-only, city-gate delivered supply via Tennessee, TETCO, and TCO. Although these are gas purchase arrangements, Peoples treats them the same as interstate capacity for planning purposes because the Company

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5 *Id.*, pp. 4-5.

requires deliveries at the respective delivery points and would pursue firm capacity at these points if reliable city-gate delivered supply was not available.[6]

66. Beginning December 17, 2013, Equitrans began providing firm transportation and firm storage services from Equitrans' AVC to Peoples. The AVC services consist of transportation service under Rate Schedule EFT, no-notice transportation service under Rate Schedule FTSS, and Storage Service under Rate Schedule GSS. The FTSS and GSS service agreements provide Peoples and its customers with access to AVC storage capacity of 8.6 MMDth annually and maximum deliverability of 200,000 Dth per day. The EFT service agreement provides Peoples and its customers up to 251,700 Dth per day of firm transportation capacity. These service agreements provide for a total of 451,700 Dth per day of firm capacity on the AVC system.[7]

67. Beginning April 1, 2014, Equitrans began providing Peoples firm transportation service under Rate Schedule FTS from Equitrans' Mainline system. Gas transported under this agreement is sourced from receipt points on the Sunrise section of the Mainline system and delivered to Equitrans' Ginger Hill station, which is the point of interconnection between Equitrans' Mainline and AVC systems. The capacity is seasonal, and the maximum firm daily quantity is 251,700 Dth during November through March and 62,000 Dth during April through October.[8]

68. In Peoples' 1307(f)-2025 proceeding, Peoples described the various service arrangements that would be in effect between Peoples and Equitrans and the costs associated with them over what is now the 1307(f)-2026 historical period. In its final order in that proceeding, the Commission approved rates for the collection of Peoples' natural gas costs that included the costs associated with

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6 *Id.,* pp. 15-16.

7 *Id.,* p. 19.

8 *Id.*

the Equitrans' service arrangements over what is now the 1307(f)-2026 historical period.[9]

69. For the 1307(f)-2026 historical period, EGTS provides service to Peoples under four service agreements and three rate schedules which all have an expiration date of March 31, 2034. EGTS provides year-round Rate FTNN no-notice transportation service at 40,000 Dth/day, Rate FT firm transportation service of 40,000 Dth/day, and Rate GSS storage service under two separate service agreements, one with capacity of 4.6 MMDth annually and maximum deliverability of 40,000 Dth/day and the other with capacity of 2.48 MMDth annually and up to 40,000 Dth/day of deliverability. These agreements promote service reliability in parts of the Peoples distribution system that are particularly well-suited for gas deliveries from EGTS.[10]

70. Under a service agreement with EGTS that expires on March 31, 2029, Peoples has 10,000 Dth/day of FT firm transportation service and 10,000 Dth/day of GSS firm storage service with a storage capacity of 600,000. Peoples additionally has 10,000 Dth/day of FT transportation service that expires October 31, 2028.[11]

71. TETCO provides Peoples with firm transportation service under Rate Schedule FT-1 and also delivers to the city-gate purchases made by Peoples from suppliers who are TETCO shippers. Peoples requires gas deliveries in the eastern portion of its service territory at Ebensburg, Delmont, Claysburg, and Rockwood and supplies into these delivery points are essential during the winter. Peoples purchases gas on TETCO and moves it over TETCO's facilities under its Rate FT-1 service agreement primarily to the Ebensburg and Delmont delivery points. Peoples also contracts with gas suppliers for the purchase of firm supply that is delivered on TETCO to Peoples' city-gates at the Claysburg and Rockwood delivery points in addition to occasionally supplementing the firm transportation deliveries at

9 *Id.,* p. 20.
10 *Id.,* p. 21.
11 *Id.*

Ebensburg. TETCO also provides an operational balancing agreement that helps Peoples manage the unanticipated swings in demand at its physical interconnections with TETCO.[12]

72. Peoples had 15,650 Dth/day of FT-1 firm transportation service under contract from TETCO for the entire 1307(f)-2026 historical period. Gas supplies under this transportation contract, which expires on April 30, 2027, are delivered by TETCO primarily at Peoples' Ebensburg delivery point located in TETCO's market zone M3. This service agreement may also be used to deliver gas supplies at Claysburg, also in M3, and Rockwood, which is upstream of Ebensburg in TETCO's market zone M2. Peoples plans to renew this TETCO FT-1 firm transportation service agreement during the 1307(f)-2026 projected period.[13]

73. Peoples proposed in the 1307(f)-2015 proceeding to put in place an arrangement for additional firm gas deliveries of up to 25,000 Dth per Day to the Ebensburg delivery point for the 2015-2016 winter period. In the following year's 1307(f)-2016 proceeding, Peoples recommended seeking proposals for similar arrangements for the following winter, and this recommendation was accepted. Subsequent Request for Proposals ("RFP") resulted in firm agreements covering each winter period from 2016-2017 through 2025-2026. This most recent winter included a very cold stretch of seven days in a row from January 27 through February 2, when Peoples used its TETCO agreements to deliver approximately 33,700 Dth each day at Ebensburg, which assisted effectively in holding up gas service in the eastern portion of the Peoples service territory.[14]

74. Peoples can accept up to 15,000 Dth/day at its Rockwood interconnection and 25,000 Dth/day at its Delmont interconnect with TETCO in TETCO's market zone M-2. Peoples utilizes its firm transportation service of 10,000 Dth/day under Rate Schedule FT-1 to deliver

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12 *Id.*, pp. 22-23.

13 *Id.,* p. 23.

14 *Id.,* pp. 25-26.

supplies to its TETCO M2 interconnects but also has entered into a series of annual agreements for delivered supply to supplement its firm transportation agreement. From 2017 through 2026, Peoples issued RFPs and contracted for delivered gas agreements for up to 11,000 Dth/day for each winter season.[15]

75. In July 2025, Peoples issued an RFP for firm deliveries of up to 11,000 Dth/day at TETCO M2 Rockwood for the period of November 2025 through March 2026. Approximately twenty potential suppliers were solicited, and three proposals were received. Peoples accepted an offer for up to 11,000 Dth/day delivered to Rockwood. The offer was chosen because the total costs of its reservation fee and variable commodity rate were anticipated to be the least cost option while satisfying Peoples' service and delivery requirements. The accepted offer had no reservation fee. The deal allowed for combinations of baseload and daily calls for supply. Baseload supply would be priced at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Texas Eastern, M-2 Receipts for the month of flow. Daily supply would be priced Gas Daily midpoint pricing for Texas Eastern, M-2 Receipts reported for the day of flow plus $0.45. There was no minimum call provision for baseload or daily supply to Rockwood.[16]

76. In July 2025, Peoples issued an RFP for firm deliveries of up to 36,000 Dth/day at TETCO M3 Ebensburg for the period of November 2025 through March 2026. Peoples received six proposals from three companies for Ebensburg supply. Peoples accepted two of the proposals, neither of which included a reservation fee. Both proposals also had essentially the same cost structure. The offers were chosen because the total costs of their reservation fees and variable commodity rates were anticipated to be the least cost options while satisfying Peoples' service and delivery requirements. Both proposals provided deliver at a TETCO priority

[15] *Id.*, p. 26.
[16] *Id.*, pp. 26-27.

ranking of three at a price related to IFERC TETCO M3 plus $0.00 for monthly baseload calls, and the Gas Daily midpoint for Texas Eastern M3 for daily calls. Neither of the proposals included a minimum delivery requirement. One of the accepted proposals included an option, but not an obligation, for Peoples to accept a lower priority of delivery at a lower cost. However, Peoples did/does not expect to exercise this option.[17]

77. In Peoples' 1307(f)-2025 proceeding, Peoples described its service arrangements with TETCO and its intent to enter into arrangements for delivered gas on TETCO that would be in effect over what is now the 1307(f)-2026 historical period. Peoples also included estimated costs for these arrangements and described the reasons why Peoples entered into those firm supply arrangements. Under the settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples' natural gas costs that included the costs associated with the TETCO service arrangements.[18]

78. Similar to prior years, in addition to utilizing the FT contracts the Company holds with TETCO, the Company proposes to issue an RFP to potential suppliers for TETCO Zone M-2 delivered supply up to 30,000 Dth/day for the winter period November 2026 through March 2027 to assist in balancing out Design Peak Day Requirements. The Company also proposes to issue a separate RFP to potential suppliers for TETCO Zone M-3 delivered supply up to 20,000 Dth/day for the winter period November 2026 through March 2027. Since the higher delivery ranking for its Zone M3 supply that the Company contracted for during the 2025/2026 winter season worked well at minimizing supply disruptions and overrun penalties, the Company plans to request this same level of service in its 2026 RFP process. This is because TETCO has increased the number of OFOs it has

[17] *Id.*, p. 27.
[18] *Id.*, p. 28.

normally issued for Zone M-3 deliveries, and the Company believes that this trend will continue due to the large electric generation load now attached to this part of TETCO's system.[19]

79. NFG provides Peoples with no-notice storage service and firm transportation service under rates approved by the FERC. Peoples uses NFG's services primarily to serve the isolated Grove City area of its service territory. Peoples uses its storage service from NFG as a no-notice balancing service to manage supply to an uncertain demand and as a way to reduce natural gas costs, by buying supplies when they generally are cheaper during the summer months and injecting them into storage, and to enhance reliability, by withdrawing the volumes from storage during the winter when demand is highest. Peoples utilizes its firm transportation service from NFG both to support the NFG storage service and for deliveries from other supply sources.[20]

80. During the entire 1307(f)-2026 historical period and for the first two months of the 1307(f)-2026 projected period, NFG provided 9,793 Dth/day of no-notice storage service to Peoples under its Rate ESS and 15,476 Dth/day of firm transportation service to Peoples under its Rate EFT. Peoples entered into both of those contracts in the mid-1990s, and the primary terms of those contracts expired on March 31, 2003. However, each of the contracts contains a one-year notice of termination provision so that if neither party gives the other one-year's notice of termination, the contracts automatically renew for another year. The contracts have automatically renewed on April 1 of each year since 2003 but last year, National Fuel requested that the term of this agreement be extended to March 31, 2030. Since Peoples requires this capacity to meet the needs of its customers in an operationally isolated portion of its service area and this National Fuel contract has worked well at fulfilling the supply needs in that area for over 30 years, Peoples

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19 *Id.*, pp. 28-29.

20 *Id.*, pp. 29-30.

executed an agreement in June 2025 extending this contract through March 31, 2030.[21]

81. In Peoples' 1307(f)-2025 proceeding, Peoples described the arrangements between Peoples and NFG that would be in effect, over what is now the 1307(f)-2026 historical period. Peoples also described the reasons why it entered into those arrangements and the costs associated with them. Under the Company's 1307(f)-2025 settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline, and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples' natural gas costs that included the costs associated with the NFG service arrangements over what is now the 1307(f)-2026 historical period.[22]

82. For the 1307(f)-2026 historical period, TCO provided Peoples firm transportation service under Rate FTS of up to 4,000 Dth/day. TCO also provided firm storage service under Rate SST of up to 2,000 Dth/day with a total storage capacity of 112,860 Dth with an expiration date of March 31, 2028. The Company utilizes the TCO services to maintain system integrity in the Fairview and Hickory Corners area of the system.[23]

83. The Company's TCO FTS, GSS and SST contracts expire on March 31, 2028, and Peoples does not propose any changes to these contracts.[24]

84. In Peoples' 1307(f)-2025 proceeding, Peoples described the arrangements between the Company and TCO that would be in effect, over what is now the 1307(f)-2026 historic period. Peoples also described the reasons why it entered into those arrangements and the costs associated with them. Under the settlement, the Parties agreed that the Commission should approve the Company's gas supply pipeline and storage capacity

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21 *Id.*, p. 30.
22 *Id.*, p. 31.
23 *Id.*, pp. 31-32.
24 *Id.*, p. 32.

contracts. In the final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples' natural gas costs that included the costs associated with the TCO service arrangements over what is now the 1307(f)-2026 historical period.[25]

85. Peoples annually issues an RFP for city-gate delivered supply for the upcoming winter season. These delivered supply agreements require the supplier to utilize Tennessee pipeline delivery points directly into Peoples at Pittsburgh Terminal and Pulaski. In addition, the agreements also required deliveries into the Columbia Gas of Pennsylvania, Inc. ("CPA") natural gas distribution system at New Castle, PA. This supply supports an exchange agreement under which CPA delivers gas into the Grove City area of Peoples' service territory, which is not physically integrated with the rest of the Peoples system.[26]

86. In July 2025, Peoples issued an RFP for up to 45,000 Dth per day to TGP meters at Pitt Terminal, Pittsburgh Terminal (PNG Bradford Woods), Pulaski and New Castle. Approximately twenty potential suppliers were solicited, and four offers were received from three companies. Peoples entered into an agreement with a supplier to make deliveries ranging from zero Dth/day to 45,000 Dth/day, across all of its TGP meters. This offer was chosen because it had no reservation fee and was able to meet Peoples' service and delivery requirements. The agreement specified baseload supply pricing at the INSIDE FERC's Gas Market Report, Monthly Bidweek Spot Gas Price Index for Tennessee, Zone 4-200 Leg for the month of flow plus zone 4 to zone 4 variables plus $0.085. For daily requested quantities, the proposal specified pricing at Gas Daily midpoint pricing for Tennessee, Zone 4-200 Leg reported for the day of flow plus zone 4 to zone 4 variables plus $0.085. There was

[25] *Id.,* p. 33.
[26] *Id.*, pp. 34-35.

no minimum call provision of baseload or daily supply to Peoples' TGP meters.[27]

87. In Peoples' 1307(f)-2025 proceeding, Peoples described its intention to issue RFPs for delivered service arrangements on Tennessee that would be in effect, over what is now the 1307(f)-2026 historical period. Peoples also included estimated costs for these arrangements and described the reasons why Peoples entered into those supply arrangements. Under the 1307(f)-2025 settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples' natural gas costs that included the costs associated with this arrangement over what is now the 1307(f)-2026 historical period.[28]

88. The Company proposes to issue another RFP for delivered supply on Tennessee that will provide for delivery of natural gas on a firm basis for up to 50,000 Dth/day delivered to Peoples with 0 - 34,000 Dth/day delivered to Pittsburgh Terminal (meter 420199), 0 - 10,000 Dth/day delivered to Pittsburgh Terminal (meter 420385), 0 – 3,000 Dth/day delivered to Pulaski, 0 - 3,000 Dth/day delivered to New Castle for the winter period of November 2026 through March 2027.[29]

89. Peoples currently owns and operates five storage fields, which have 2,147,000 Mcf of storage capacity and 55,300 Mcf of maximum design day withdrawal capacity.[30]

90. There are two categories of natural gas costs that Peoples incurs to own and operate its on-system storage facilities. The first of those categories is the portion of Peoples' requirements for company use and lost and unaccounted for gas that was attributable to those

[27] *Id.*, p. 35.
[28] *Id.*, p. 36.
[29] *Id.*
[30] *Id.*, p. 42.

facilities. The second is the weighted average cost that Peoples assigns to each Mcf that is injected into and withdrawn from its on system (and interstate) storage facilities. For the 1307(f)-2026 historical period, the weighted average cost was based on the cost of all supplies that Peoples acquired over calendar year 2025. The total weighted average costs that Peoples assigned to injections into and withdrawals from storage over the historical period were those set forth on Peoples Natural Gas Company Exhibit No. 6.[31]

91. In Peoples' 1307(f)-2025 proceeding, Peoples set forth projections regarding the use of on-system storage over what is now the 1307(f)-2026 historical period. In that proceeding, Peoples described the projected weighted average costs assigned to the supplies that Peoples anticipated injecting into and withdrawing from its on-system and interstate storage facilities over that same period. In its final order in that proceeding, the Commission approved rates for the collection of Peoples' natural gas costs that included the weighted average costs of supplies that Peoples anticipated injecting into and withdrawing from storage over what is now the 1307(f)-2026 historical period. The rates approved by the Commission also included the cost of Peoples' projected requirements for company use and lost or unaccounted for gas, including the portion of those requirements attributable to its on-system storage facilities.[32]

92. Peoples projects to incur the weighted average costs of supplies injected into and withdrawn from storage that were set forth on Peoples Natural Gas Company Exhibit Nos. 7 and 8. While Peoples has done its best to anticipate what those weighted average costs will be, when the Company looks back next year, the weighted average costs likely will be different than what Peoples is projecting here, again because of the inability to predict the exact price of market-priced supplies.[33]

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31 *Id.*, p. 42.
32 *Id.*, p. 43.
33 *Id.*, pp. 43-44.

93. Peoples and its customers continue to purchase a substantial amount of their gas supply from Pennsylvania and Appalachian producers. Year-round base load gas supply is purchased by the Company from approximately 198 local Pennsylvania producers at approximately 944 supply meters. The majority of this gas is produced from conventional gas wells drilled into shallow upper Devonian formations (approximately 4,000 ft.). Over the last 100 years, the Company's pipeline system has been designed and operated to accommodate local supply, which must be delivered at varying pressures.[34]

94. The deliverability of Pennsylvania gas has historically declined as the gas wells age. Such decline is characteristic of these small volume local wells and thus, over time, deliverability of existing wells will continue to fall as these wells are depleted. Over the last several years, the decline in new shallow well development resulted in production from the new gas wells failing to offset the production deliverability declines of the existing Pennsylvania gas wells. Production from Marcellus wells has accounted for roughly 20% of the total local production into Peoples' system. Adding new Marcellus gas is limited due to the lower operating pressures of the gathering system and most Marcellus production is sold to the transport market since its steady, year-round supply matches up better with the less heat-sensitive large industrial load.[35]

95. In Peoples' 1307(f)-2025 proceeding, Peoples described its contracts for local gas supplies that would be in effect over what is now the 1307(f)-2026 historical period. Under the settlement, the Parties agreed that the Commission should approve the Company's gas supply, pipeline and storage capacity contracts. In its final order in that proceeding, the Commission approved the settlement including the rates for the collection of Peoples' natural gas costs that included the costs

[34] *Id.*, p. 44.
[35] *Id.*, pp. 44-45.

associated with the local gas contracts over what is now the 1307(f)-2026 historical period.[36]

96. Most of Peoples' local gas purchase agreements are priced at the standard first of the month Eastern South Point index and therefore do not need renegotiated due to the evergreen nature of the agreements. During the 1307(f)-2026 historical period, more local production meters switched from system supply to transportation agreements than vice versa which resulted in the amount of local supplies Peoples purchased for its customers being approximately 15% less than for the 1307(f)-2025 historical period.[37]

97. Peoples uses the spot market to purchase a substantial amount of its natural gas requirements. A large portion of its interstate supply deals are done as day-ahead deals and reference a published index for pricing, allowing the final pricing to be determined by the market. Along with its local gas supplies, these are the supplies that Peoples uses to meet the demands of those customers who continue to buy their supplies from Peoples. These are also the supplies that Peoples uses its various interstate pipeline assets to transport and store.[38]

98. Peoples continually adjusts its daily supply plan based on actual and projected daily weather and customer usage. As part of that process, Peoples determines if additional supply is required at various parts of its system or, during the storage injection season, at various off-system storage receipt points. Peoples monitors the New York Mercantile Exchange ("NYMEX") futures prices and the Intercontinental Exchange ("ICE") cash and forward prices, and monitors various spot market gas index prices for areas from which it purchases spot market supplies. With this information, Peoples will determine the least cost option to serve areas of its system that require additional supply. Peoples is in frequent contact with many gas suppliers who will agree to deliver spot market supplies to pipeline receipt points from

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36 *Id.*, p. 46.
37 *Id.*, p. 47.
38 *Id.*, p. 48.

which Peoples is able to secure transportation to its city-gate or to storage receipt points pursuant to off-system storage contracts.[39]

99. Since 2010, Peoples has been working to reduce UFG. The Company's UFG volume was 7.0 Bcf in 2019, which resulted in a loss rate of 4.46%. For the period ending August 31, 2025, the overall Company system amount was 6.2 Bcf, which resulted in an overall system loss rate of 4.23%. The two main components of the Company's overall UFG are Distribution UFG and Gathering UFG. Distribution UFG for the last reporting period is 4.14 Bcf which results in a loss rate of 2.9% which is at the Commission's targeted loss rate for Distribution UFG. The Gathering UFG for the 2025 reporting period is 2.0 Bcf and equates to a loss rate of 6.88%, down from 9.83% in 2017 when the Company began its most recent mitigation plan.[40]

100. Despite the efforts to reduce UFG, Peoples remains challenged to reduce UFG on its pipelines that gather gas from local production wells. The Peoples gathering system is comprised of older (mostly pre-1970), low pressure pipe, much of which has provided service for producers and customers for many years and is nearing the end of its useful life. The customers are generally scattered across the gathering system in relatively rural areas, although there are a very few areas where there are high concentrations of customers. Since the Commission adopted regulations beginning in 2014 requiring industry-wide UFG reporting, Peoples has segmented the loss attributable to the gathering pipelines from the loss attributable to other functional pipeline systems.[41]

101. The Company has seen less and less local gas delivered into the Company's lines in recent years due to normal production declines and decreased new drilling in these systems. As the total amount of gas entering the gathering system is reduced, the same volumetric loss

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39 *Id.*, pp. 48-49.

40 Peoples Natural Gas Company St. No. 5, pp. 3-4.

41 *Id.*, p. 4.

would result in a higher UFG rate. In fact, a lower volumetric loss can still result in an increased UFG rate because there is less gas flowing through the system. The production declined by more than 12.8 BCF since 2017 and by 1.2 BCF or 4% during the latest period, so the decreased production loss has impacted UFG rates. Had the 2025 production stayed at the same rate as it was in 2023, the 2025 loss rate would have been 6.2%.[42]

102. Peoples began working on its UFG mitigation plan even before it was filed in Docket Nos. R-2018-2645278 and R-2018-3000236. Peoples Natural Gas Exhibit No. 13 is a summary of the specific actions taken since the 2018 plan inception and an update of ongoing activities though the current PGC period.[43]

103. The Company continues to focus on its major gathering systems. Additionally, the Company has installed upgraded measurement on one measuring project and will complete one more project for storage stations for 2026.[44]

104. In addition, Peoples continued its audit process of producer meters and, as a result, found a number of wells that were operating outside of the Company's standards and, in some cases, contributing to UFG. Peoples worked in each of these cases to have the issues remedied, which in many cases resulted in shutting in the production. This audit process will continue in 2026.[45]

105. In addition, the following activities were performed: (1) expired and removed 121 zero flow production meters; (2) corrected 37 standards issues; and (3) completed 1259 meter service/repair orders.[46]

106. The producers are the primary beneficiaries of the gathering system and should contribute to the costs of the UFG. Through the allocation of some of the

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42 *Id.*, pp. 5-6.
43 *Id.*, p. 7.
44 *Id.*
45 *Id.*, p. 8.
46 *Id.*, p. 8.

gathering system losses to the producers whose gas flows on those systems, the Company will continue to incent the producers to partner with Peoples in developing UFG mitigation initiatives, which has produced a number of cooperative system improvements. Therefore, with UFG being an unavoidable cost component of gathering and delivering local gas, and with both producers and customers benefitting from it, it is appropriate for both producers and customers to pay a portion of the UFG costs.[47]

107. Peoples monitors and participates in various proceedings before FERC as a means of assuring for Peoples' ratepayers the future availability of reasonably priced, reliable gas supplies.[48]

108. Peoples undertakes legal action as necessary to protect the interests of its ratepayers.[49]

STATEMENTS IN SUPPORT

A. Wagner Adjustment

Company Position

Peoples acknowledged it was involved in a civil lawsuit as a defendant that related to a dispute over Peoples' under payment for natural gas purchased from a local producer.[50] According to Peoples, the Court of Common Pleas of Indiana County (Trial Court), ruled in 2017 that Peoples breached its contract with the local producer by treating the "Posted Price" under the contract as a "Fixed Price." On appeal, the Superior Court upheld the trial court as to breach of contract but remanded the case back to the

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47 *Id.*, p. 10.
48 Peoples Natural Gas Company St. No. 1, pp. 5-6.
49 Peoples Natural Gas Company Exhibit No. 2; Peoples Natural Gas Company St. No. 1, pp. 5-7.
50 Peoples Natural Gas Company St. No. 1, p. 8.

Trial Court to determine the damages to be paid by Peoples. Peoples asserted this matter was initially presented before the Commission in the Company's 2025 1307(f) proceeding at Docket No. R-2025-3053184, where the settling parties therein agreed Peoples would be permitted to include up to $665,183 of the assessed damages Peoples would be required to pay, along with the payment due date in its e-factor or recovery once the Trial Court made that determination.[51] Peoples asserted it retained the right to propose recovery of additional damages in future 1307(f) proceedings. Lastly, Peoples contended this settlement provision was approved without modification as a part of the Joint Petition for Settlement in the 2025 1307(f) proceeding.

Peoples further reported the Company reached a final and unappealable resolution of the Wagner matter, and the final amount that Peoples paid in the Wagner case totaled $1,100,000.[52] Peoples asserted that the difference between this final amount and the amount of $665,183 approved for recovery in the 2025 1307(f) proceeding is $434,817, and the Settlement provides that Peoples will be permitted to include the remaining balance of $434,817 of the damages incurred by the Company in the Company's e-factor for recovery beginning October 1, 2026.[53]

Peoples asserted that because no party challenged this recovery, nor presented testimony on the subject, the Settlement provision on this point constitutes an unopposed proposal that was fully supported by Peoples in its main filing.[54]

Peoples argued this Settlement provision was in the public interest and should be approved. Peoples noted that, during the term covered by the Trial Court lawsuit, customers paid less for gas than what the Trial Court determined the customer

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51 *Id.*, p. 9.
52 *Id.*
53 Settlement ¶ 27.
54 *Id.*

should have paid. Accordingly, the Trial Court had indicated the Company would soon be required to pay the producer for underpayments as determined by the Trial Court. Peoples averred it is appropriate for PGC customers to pay this amount because PGC customers received lower costs than they otherwise would have paid during the underpayment period.

Peoples further asserted that common practice in PGC proceedings is to make prior period adjustments to gas costs, and in Peoples' 2020 PGC proceeding, the Commission required the Company to refund certain gas costs going back to 2015 pursuant to an Audit Report.[55] Peoples noted the Commission's Order was upheld in a non-reported Commonwealth Court Order dated April 13, 2022, at 1024 C.D. 2020, and that in another prior PGC proceeding, the Commission approved a Settlement that revised the Company's storage valuation methodology, effective as of 2020.[56]

BIE Position

BIE did not provide a substantive statement in support or suggest how the public interest would benefit from implementation of this Settlement provision, although BIE asserted the Joint Petitioners agree that Peoples will be permitted to include the remaining balance of $434,817 of the damages incurred by the Company in the Company's e-factor for recovery beginning October 1, 2026.

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[55] *Pa. Pub. Util. Comm'n. v. Peoples Natural Gas Company, LLC,* Docket No. R-2020-3017850 et al, Order entered September 17, 2020.

[56] *Pa. Pub. Util. Comm'n. v. Peoples Natural Gas Co., LLC*, Docket Nos. R-2024-3045945, Order approving settlement entered September 12, 2024.

OCA Position

OCA averred in Peoples' previous 2025-26 PGC proceeding, the Company requested recovery of anticipated damages to settle a civil dispute (the "Wagner matter").[57]

OCA further asserted that in the prior proceeding, OCA disagreed with the Company's proposed cost recovery of anticipated damages because the amount to be paid by Peoples was speculative.[58]

OCA referenced the Recommended Decision in the prior proceeding to explain what occurred in that proceeding. OCA asserted the Recommended Decision detailed that the matter involved an ongoing legal dispute involving Peoples and an outside entity, whereby a trial court determined Peoples had breached a contract with a producer when Peoples paid the producer less than it should have under the contract. Therefore, Peoples owed the producer payment, although the amount of payment had not yet been determined. OCA and Peoples agreed in that proceeding that the amount to be paid would not be included in the PGC until the exact amount had been determined by the trial court. Per the Recommended Decision, once the amount was final and unappealable, Peoples could make the adjustment in its PGC proceedings.[59]

OCA asserted the parties therein agreed to authorize recovery of up to $665,183, pending the presence of three conditions precedent: 1) the dispute came to a final and unappealable resolution; 2) the amount of awarded damages needed to be

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57 *Pa. Pub. Util. Comm'n. v. Peoples Natural Gas Company, LLC*., Docket No. R-2025-3053184, Recommended Decision at 44-45 (July 7, 2025) (*Peoples 2025-26 PGC R.D.*).

58 *Id*.

59 *Id*.

determined; and 3) the payment date for awarded damages needed to be determined.[60] OCA further reported the Commission adopted the Recommended Decision without modification.[61]

OCA asserted Peoples' witness Scanlon testified Peoples reached a final and unappealable resolution regarding the Wagner matter.[62] OCA further reported the Company factored in the agreed upon amount of $665,183 and adjusted its quarterly rate, effective April 1, 2026, for inclusion of this amount, but the total settlement reached in that case was $1.1 million.[63] OCA explained the Company proposed to collect the difference between the amount authorized in the prior settlement and the remainder, which equals $434,817.[64]

OCA argued this calculation meets the criteria set forth by the settlement agreement from Peoples' 2025-2026 PGC proceeding. OCA contended the Joint Petitioners herein agreed to include the difference between the authorized amount and the final Trial Court amount through the e-factor in 2026-2027 PGC proceeding.[65] OCA asserted that allowing Peoples to incorporate the assessed damages in a subsequent e-factor filing is reasonable because the e-factor is a mechanism that allows a gas utility to true-up its costs as they relate to purchased gas.[66] OCA further averred this amount was what Peoples should have paid in prior PGC proceedings.[67] Finally, OCA asserted the

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60 *Id*.

61 *Pa. Pub. Util. Comm'n. v. Peoples Natural Gas Company, LLC.*, Docket No. R-2025-3053184, Order (August 14, 2025).

62 Peoples St. 1 at 9.

63 *Id*.

64 *Id*.

65 Settlement ¶27.

66 *Pa. Pub. Util. Comm'n., et al. v. National Fuel Gas Distribution Co.*, Docket Nos. R-2013-2341534, *et al*., Order at Fn. 3 (July 16, 2013).

67 *Peoples 2025-26 PGC R.D.* at 45-46.

parties in Peoples' 2025-26 PGC and in the instant proceeding worked together to ensure all calculations in the Company's PGC filing are just and reasonable.[68]

B. Customer Retainage Rates

Company Position

Peoples noted it initially proposed that its stand-alone tariffed retainage rate for all classes except for rate MLS customers should be 6.8%, effective October 1, 2026.[69] Peoples pointed out no party challenged this calculation of retainage rates, nor presented testimony on the subject, and the Settlement provision on this point constituted an unopposed proposal that was fully supported by Peoples in its main filing.[70] Peoples reported the Settlement provides that Peoples' Rate MLS retainage rate remains unchanged.[71] Peoples contended that this Settlement provision is just and reasonable and should be approved without modification.

BIE Position

BIE did not provide a substantive statement in support or suggest how the public interest would benefit from implementation of this Settlement provision, although BIE did note Peoples' stand-alone tariffed retainage rate for all classes would be 6.8%, effective October 1, 2026, except for Rate MLS customers for whom the retainage rate would remain unchanged.

68 *See Peoples 2025-26 PGC R.D.*
69 Peoples Natural Gas Company St. No. 1, p. 7.
70 Settlement ¶ 28.
71 *Id.,* ¶ 29.

OCA Position

OCA did not provide a substantive statement in support or suggest how the public interest would benefit from implementation of this Settlement provision. OCA noted its previously identified witness[72] investigated how retainage rates are determined, how retainage rates are recovered, and reviewed the overall reasonableness and accuracy of the retainage rates but OCA did not provide a substantive explanation for how acceptance of Peoples' as-filed retainage rates will benefit the public interest.[73]

C. Producer Retainage Rates

Company Position

Peoples asserted its witness presented testimony regarding the retainage recovery on the Goodwin system and the retainage recovery generally.[74] According to the Company, Mr. Orkis explained that the producer retainage rate, which became effective on October 1, 2025, should remain at 2.61% for all conventional production entering Peoples' system.[75] Peoples further asserted its witness explained that the retainage rate for the Company's Goodwin system is forecasted to be 28.8% as of October 2026.[76] The Company also noted its witness testimony, as follows:

> Peoples has also committed to reviewing the actual loss rate at 6-month intervals. Since most of the construction

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[72] OCA had previously served written direct testimony of Jerome Mierzwa, but this testimony was not included in the Joint Stipulation and therefore not admitted into the hearing record. He is not a witness in this proceeding as his testimony is not in evidence.

[73] Settlement ¶¶ 28-31.

[74] *See* Peoples Natural Gas Company St. No. 5.

[75] Peoples Natural Gas Company St. No. 5, p. 10.

[76] *Id.*, pp. 11-12.

> work on the system is completed during late summer, we do not expect to see the full impacts of such construction to be reflected in the rolling twelve-month loss rate until some time has passed. Also, since little additional work is completed during the winter, the rate is likely to remain relatively stable until the next construction cycle is completed and sufficient time has passed for the results to be fully reflected in the UFG calculation.

Peoples Natural Gas Company Statement No. 5, p. 12.

Peoples asserted no party took issue with or presented any testimony responsive to Peoples' proposal related to producer retainage rates, which, Peoples asserted was fully explained and supported through the direct testimony of Mr. Orkis. Peoples argued the producer retainage Settlement provisions are just and reasonable as they memorialize the Company's unopposed proposal(s) related to producer retainage rates, and as a result this Settlement provision should be approved without modification.

<u>BIE Position</u>

BIE asserted the parties agreed Peoples' producer retainage rate will continue to be 2.61% for all conventional production effective October 1, 2026, and the retainage rate for the Goodwin system shall be 28.8% for the period of October 1, 2026 to September 30, 2027. However, BIE did not provide a substantive statement in support or suggest how the public interest would benefit from implementation of this Settlement provision.

OCA Position

OCA did not provide a statement in support regarding Producer Retainage Rates, relying instead on the previous enunciation of its position about Customer Retainage Rates, in subsection B above.

D. Unaccounted-For Gas (UFG)

Company Position

Peoples relied on the direct testimony of Company witness Scott Orkis regarding UFG, and asserted the Company's overall system UFG amount was 6.2 Bcf, resulting in an overall system loss rate of 4.23%. Peoples contended this figure represented a 12% decrease from what the Company's UFG volume was in 2019.[77] Peoples contended the two main components of the Company's overall UFG are Distribution UFG and Gathering UFG:

> Distribution UFG for the last reporting period is 4.14 Bcf which results in a loss rate of 2.9 % which is right at the Commission's targeted loss rate for Distribution UFG. . .
>
> The Gathering UFG for the 2025 reporting period is 2.0 Bcf[78] and equates to a loss rate of 6.88%, down from 9.83% in 2017 when the Company began its most recent mitigation plan focusing on gathering loss.

Peoples Natural Gas Company Statement No. 5, p. 4.

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77 Peoples Natural Gas Company St. No. 5, p. 3.
78 This metric includes the impact of producer retainage.

Peoples reported lower production levels were delivered into its lines in recent years due to normal production declines and a decrease in new wells drilled within the Company's system. Peoples contended production levels declined by 1.2 BCF, or (-4.0%) during the relevant PGC period.[79] The Company asserted that, had the 2025 production stayed at the same rate as it was in 2023, the 2025 loss rate would have been 6.2%.[80] Peoples averred its evidence detailed the success and specific accomplishments of the UFG mitigation plan, including: the expiration and removal of 121 Zero flow production meters; the correction of 37 standards issues; and the handling of 1259 Meter Service/Repair Orders.[81]

The Company asserted no party took issue with or presented testimony on the Company's UFG figures for the reporting period, the revised UFG report, or the Company's plans on the direction for UFG mitigation efforts in future years. Further, Peoples reported this Settlement acknowledged that Peoples' distribution UFG percentage for the twelve-month period ending August 31, 2025 is in compliance with the Commission's regulations at 52 Pa. Code § 59.111(c)(1).[82] Peoples argued this Settlement provision is reasonable, in the public interest and should be approved without modification.

BIE Position

BIE did not provide a substantive statement in support or suggest how the public interest would benefit from implementation of this Settlement provision, although BIE asserted the Parties acknowledged that Peoples' distribution UFG percentage for the

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79 Peoples Natural Gas Company St. No. 5, pp. 5-6.
80 *Id.*, p. 6.
81 *Id.*, p. 8.
82 Settlement ¶ 32.

twelve-month period ending August 31, 2025, is in compliance with the Commission's regulations at 52 Pa. Code § 59.111(c)(1).

OCA Position

OCA did not provide a substantive statement in support or suggest how the public interest would benefit from implementation of this Settlement provision. OCA noted its witness reviewed Peoples' lost-and-unaccounted-for gas quantities as a percentage of total throughput for the period January 2024 to present, and on an annual percentage for each month from January 2025 to present. OCA asserted the Joint Petitioners agreed to acknowledge Peoples' distribution UFG percentage for the twelve-month period ending August 31, 2025, was compliant with the Commission's regulations at 52 Pa. Code § 59.111(c)(1).[83]

E. Miscellaneous

Company Position

Peoples asserted the Miscellaneous portion of the Settlement memorializes various Settlement terms contained in the Company's 2026 definitive PGC filing that were unopposed by the various parties to this proceeding. Peoples reported that specifically, this portion of the Settlement noted that: (1) Peoples Rate SGS/MGS balancing charge shall be $0.7555/Mcf, and Peoples Rate LGS balancing charge shall be $0.2432/Mcf[84]; (2) the overrun and OFO charges incurred and included in this filing were prudently incurred and in compliance with the least cost gas standard[85]; (3) except as revised by the Settlement, the proposed rates and other requested approvals contained in

[83] Settlement ¶ 32.
[84] *Id.,* ¶ 33
[85] *Id.,* ¶ 34

the Peoples' 2026 PGC filing should be approved[86]; (4) the costs presented by Peoples in Exhibit 6 - as a result of the natural gas demand during Winter Storm Fern - were prudently incurred and in compliance with the least cost gas standard[87]; (5) the Peoples Natural Gas compliance filing in this proceeding will reflect updated actual and projected over/under collections through September 30, 2027, in accordance with the provisions of 52 Pa. Code § 53.64(i)(5)[88]; and (6) the parties agree the Commission should approve the renewals and changes in gas supply, pipeline, and storage capacity contracts that are explained in Peoples Natural Gas Company Statement No. 2 and related exhibits included in the 1307(f)-2026 definitive filing.[89]

Without providing a substantive statement in support or suggesting how the public interest would benefit from implementation of this Settlement provision, Peoples averred no party opposed or presented testimony on any of the Settlement provisions noted above. Peoples' assertions merely signify the Joint Petitioners' agreement with various items included within the Company's definitive filing. Peoples submitted that these provisions are just and reasonable and should be approved without modification by the Commission.

BIE Position

BIE did not provide a substantive statement in support or suggest how the public interest would benefit from implementation of this Settlement provision. Instead, BIE pointed out its agreement with specific aspects of the Joint Applicants' agreement. BIE agreed: (1) Peoples' Rate SGS/MGS balancing charge should be $0.7555/Mcf; (2) Peoples Rate LGS balancing charge shall be $0.2432/Mcf; (3) the overrun and OFO

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86 *Id.,* ¶ 35
87 *Id.,* ¶ 36
88 *Id.,* ¶ 37
89 *Id.,* ¶ 38.

charges incurred and included in this filing were prudently incurred and in compliance with the least cost gas standard; (4) the proposed rates and other requested approvals contained in the Peoples Natural Gas' 2026 PGC filing should be approved, except as revised by this Settlement; (5) the costs presented by Peoples in Exhibit 6 were prudently incurred costs as a result of the natural gas demand during Winter Storm Fern and were in compliance with the least cost gas standard; (6) the Peoples Natural Gas compliance filing in this proceeding will reflect updated actual and projected over/under collections through September 30, 2026, in accordance with the provisions of 52 Pa. Code § 53.64(i)(5); and (7) the Commission should approve the renewals and changes in gas supply, pipeline, and storage capacity contracts that are explained in Peoples Natural Gas Statement No. 2 and related exhibits included in the 1307(f)-2026 definitive filing.

<u>OCA Position</u>

OCA reported its previously identified witness conducted an extensive review of Peoples' PGC filing, including in the following topic areas mentioned in the OCA's Prehearing Memorandum: reasonableness and prudence of historic purchased gas costs and assessment of compliance with Commission Orders in prior 1307(f) cases; reasonableness and accuracy of estimating gas costs during the interim and prospective periods; and the reasonableness and prudence of the Company's gas supply mix including purchases of Pennsylvania-sourced gas supplies.[90]

OCA further asserted its previously identified witness reviewed the workpapers, calculations and supporting documentation used to develop Peoples' 2026-27 PGC filing, and OCA determined there were no significant issues with Peoples' annual filing or the underlying workpapers, calculations, and supporting documentation that necessitated filing testimony.

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[90] OCA Prehearing Memorandum at 2-3.

As such, OCA contended it supports Settlement paragraphs 33-38[91] and submitted there is sufficient evidence in the record to make the findings required by Section 1318 of the Public Utility Code, including that the Company is pursuing a least cost fuel procurement policy during the relevant time period consistent with the obligation to provide safe, adequate and reliable service to customers in compliance with Sections 1318 and 1307(f).[92]

V. DISCUSSION

In this proceeding, three of the four active parties reached a proposed Settlement and the remaining active party indicated no opposition to the proposed Settlement. The Commission encourages parties in contested on-the-record proceedings to settle cases,[93] because settlements eliminate the time, effort and expense of litigating a matter to its ultimate conclusion and avoids review of the Commission's decision by the appellate courts of Pennsylvania. Such savings benefit not only the individual parties, but also the Commission and all ratepayers of a utility, who otherwise may have to bear the financial burden arising from such litigation.

By definition, a "settlement" reflects a compromise of the parties' positions and arguably fosters and promotes the public interest. When active parties in a proceeding reach a settlement, the benchmark or inquiry to determine whether a settlement is acceptable is if the proposed terms and conditions are in the public interest.[94] We recommend the Commission accept the Company's Section 1307(f) filing,

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91 Settlement ¶¶ 33-38

92 66 Pa.C.S. §§ 1318; 1307(f).

93 52 Pa. Code § 5.231.

94 Pa. Pub. Util. Comm'n v. CS Water & Sewer Assocs., 74 Pa.P.U.C. 767 (1991).

as modified by the Settlement. The Settlement is in the public interest, advances the least cost procurement objective, which benefits all ratepayers, and is a fair, just and reasonable resolution.

People, BIE and OCA assert, after extensive discovery and discussion, the Joint Petitioners arrived at a Settlement that resolved all issues in a fair and equitable manner and result after a detailed examination of Peoples' natural gas procurement practices using numerous discovery responses, testimony and accompanying exhibits, followed by the presentation of counter-positions on some issues, and then settlement negotiations. The Joint Petitioners contend this Settlement resolves the issues, fairly balances the interests of the Company and its ratepayers, is in the public interest, is consistent with the requirements of Sections 1307 and 1318 of the Public Utility Code,[95] and, accordingly, should be approved.

Section 1307(f)(5) of the Public Utility Code (Code), 66 Pa.C.S. § 1307(f)(5), requires that the Commission determine the portion of Peoples' historic period actual gas costs which meet the least cost fuel procurement standards set forth in Section 1318 of the Code, 66 Pa.C.S. § 1318. In addition, Section 1318 findings must be made with respect to the new gas cost rate (GCR) to be established in this proceeding. Pursuant to Section 1317 of the Code, 66 Pa.C.S. § 1317, the Commission requires the submission of certain information to enable it to make a least cost fuel procurement policy evaluation.

In determining whether Peoples Natural Gas is pursuing a least cost fuel procurement policy under Section 1318 of the Code, the specific findings in Sections 1318(a)(1) through (4) must be made. Those specific findings must be: (1) that the utility fully and vigorously represented its ratepayers' interests before the Federal Energy

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[95] 66 Pa. C.S. §§ 1307, 1318.

Regulatory Commission (FERC); (2) that the utility took all prudent steps necessary to negotiate favorable gas supply contracts and to relieve the utility from terms in existing contracts with its gas suppliers which are or may be adverse to ratepayer interests; (3) that the utility has taken all prudent steps necessary to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies; and (4) that the utility has not withheld from the market or caused to be withheld from the market any gas supplies which should have been utilized as part of a least cost fuel procurement policy.[96]

Party Positions on Public Benefit from Settlement

Company Position

The Company contended the Settlement reflects a compromise of the interests of all of the Joint Petitioners while producing just and reasonable gas cost rates. Regarding the Wagner adjustment, Peoples asserted the Settlement allows the Company to receive from ratepayers the amount the Trial Court required Peoples to pay to the producer for under payments. Peoples argued these same ratepayers paid less for gas received from this producer over the years than the ratepayers would have had to pay if there had been no under payment.

Peoples noted retainage rates for customers will be 6.8%, except MLS customers, and the MLS retainage rate will remain unchanged. The Company further noted the producer retainage rate will remain at 2.61%, and the actual loss rate will be reviewed at 6-month intervals to account for construction cycles.

[96] 66 Pa.C.S. § 1318(a)(1)-(4).

Peoples averred no party opposed the terms related to the Wagner adjustment or retainage rates. Similarly, the Company reported no party took issue with its UFG figures, the revised UFG report, or the Company's plans for UFG mitigation efforts in the future. Peoples pointed out the Settlement acknowledges Peoples' distribution UFG percentage for the twelve-month period ending August 31, 2025, was compliant with the Commission's regulations. Peoples noted the miscellaneous portions of the Settlement also memorialized various settlement terms unopposed by the parties, including terms related to rate balancing charges for SGS/MGS and LGS, overrun and OFO charges, the approval of rates, costs of natural gas demand during Winter Storm Ferm, over/under collections and the approval of contracts.

Peoples noted no party opposed or presented testimony on the above-referenced settlement provisions, and the Joint Petitioners agree with these items as included in Peoples' definitive filing. Peoples contended the provisions are just and reasonable and should be approved without modification.

BIE Position

BIE contended all issues raised in testimony were resolved satisfactorily through discovery and negotiations with the Company or were incorporated or considered in the resolution proposed in the Settlement. BIE contended the Settlement exemplifies the benefits to be derived from a negotiated approach to resolving what can appear at first blush to be irreconcilable regulatory differences. BIE reported the Parties have carefully discussed and negotiated all issues raised in this proceeding, and specifically those addressed and resolved in this Settlement. BIE represented the Settlement maintains the proper balance of the interests of all parties. BIE reported it was satisfied that no further action was necessary, and it considered its investigation of this Section 1307(f) filing complete.

OCA Position

OCA asserted the terms of the Settlement are in the public interest and in the interest of Peoples' ratepayers. OCA requested the Commission approve the proposed Settlement. OCA noted the parties worked together to ensure calculations were just and reasonable. Specifically, OCA reported the Joint Petitioners agreed the distribution UFG percentage for the twelve-month period ending August 31, 2025, is compliant with Commission regulations. OCA further contended there are no significant issues with Peoples' annual filing, plus no significant issues with Peoples' underlying workpapers, calculations, and supporting documentation, and there is sufficient evidence to establish Peoples is pursuing a least cost fuel procurement policy. OCA averred Peoples' actions are consistent with Peoples' obligation to provide safe, adequate and reliable service to customers in compliance with Sections 1318 and 1307(f).[97] OCA asserted the Settlement is in the public interest and the interest of the Company's ratepayers.

VI. RECOMMENDATION

Upon review of the Settlement, the evidence in the record and the Statements in Support, the presiding officers agree the Joint Petitioners achieved a fair and reasonable compromise that resolves the issues. The presiding officers agree with the assertions of the Joint Petitioners and find, specifically, the rates proposed in the Settlement are just and reasonable as required under 66 Pa.C.S. § 1318.

This recommendation is based in part upon the terms of the Settlement and the salient facts presented by the parties, but also in large part upon the representations made by the statutory advocates which aver the Settlement is in the interests of the

[97] 66 Pa.C.S. §§ 1318; 1307(f).

constituencies they represent. The parties conducted a review of the initial filing and supporting information, discovery responses and the filing data, and engaged in settlement discussions. The Joint Petitioners spent time negotiating how the historic natural gas costs were incurred and how projected future costs will be incurred under a least cost fuel procurement policy. The settlement of those issues, including agreements on how Peoples will continue to handle those costs moving forward, including the costs of the Wagner adjustment, will make it more likely Peoples will continue to provide reasonable and adequate service to its customers while ensuring there is a sufficient supply of gas.

RECOMMENDATION SUMMARY

It should be noted the Settlement provides for a decrease (-$2.1297 per Mcf, or -14.5%) in the gas cost for the residential customer class. A slightly smaller but still significant decrease (from -$8.3778 to -$9.5545 per Mcf) would be provided to the other three rate classes (small business, midsize business and large industrial classes). As illustrated in the table provided by the Joint Petitioners in Appendix A to the Settlement, the average residential customer of Peoples using 86 Mcf will pay $1,283 annually, instead of the current annual total of $1,466.

In light of all the evidence and statements of the parties, the undersigned presiding officers recommend the Commission should approve the Settlement. Despite a dearth of substantive statements in support discussing the public benefit to result from the Settlement, the evidence presented is sufficient to show the Settlement maintains a proper balance of the interests of all parties, renders further action unnecessary on the issues contained within the Settlement, benefits the public interest, results in a significant decrease in the purchased gas costs imposed on customers and completes the investigation of this filing.

VII. CONCLUSIONS OF LAW

1. The Commission has jurisdiction over the subject matter and the parties to this proceeding.[98]

2. There is sufficient evidence in the record to make the findings required by Section 1318 of the Public Utility Code.[99]

3. Peoples Natural Gas Company LLC is pursuing a least cost fuel procurement policy during the relevant time period consistent with the obligation to provide safe, adequate and reliable service to customers in compliance with Section 1318 of the Public Utility Code.[100]

4. The rates of Peoples Natural Gas Company LLC for purchased gas costs, as the settling parties agreed upon in this proceeding, during the relevant time period, are just and reasonable and in compliance with Section 1318 of the Public Utility Code.[101]

5. Peoples Natural Gas Company LLC fully and vigorously represented the interests of ratepayers in proceedings before the Federal Energy Regulatory Commission and other relevant non-Public Utility Commission proceedings during the relevant time period in compliance with Section 1318(a)(1) of the Public Utility Code.[102]

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[98] 66 Pa.C.S. §§ 501, 1307(f), 1317-18.
[99] 66 Pa.C.S. § 1318.
[100] *Id.*
[101] *Id.*
[102] *Id.* (a)(1).

6. Peoples Natural Gas Company LLC took all prudent steps necessary to negotiate favorable gas supply contracts and to relieve itself from terms in existing contracts with its gas suppliers, which are or may be adverse to the interests of ratepayers, during the relevant time period in compliance with Section 1318(a)(2) of the Public Utility Code.[103]

7. Peoples Natural Gas Company LLC took all prudent steps necessary during the relevant time period to obtain lower cost gas supplies on both short-term and long-term bases both within and outside the Commonwealth, including the use of gas transportation arrangements with pipelines and other distribution companies in compliance with Section 1318(a)(3) of the Public Utility Code.[104]

8. Peoples Natural Gas Company LLC did not withhold from the market or cause to be withheld from the market during the relevant time period any gas supplies which should have been used as part of a least cost fuel procurement policy in compliance with Section 1318(a)(4) of the Public Utility Code.[105]

9. Peoples Natural Gas Company LLC fully and vigorously attempted to obtain less costly gas supplies on both short-term and long-term bases from nonaffiliated interests during the relevant time period in compliance with Section 1318(b)(1) of the Public Utility Code.[106]

10. The contracts of Peoples Natural Gas Company LLC for the purchase of gas from any affiliated interest during the relevant time period are consistent

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[103] *Id.* (a)(2).
[104] *Id.* (a)(3).
[105] *Id.* (a)(4).
[106] *Id.* (b)(1).

with a least cost fuel procurement policy in compliance with Section 1318(b)(2) of the Public Utility Code.[107]

11. Neither Peoples Natural Gas Company LLC nor any affiliated interest during the relevant time period withheld from the market any gas supplies, which should have been used as part of a least cost fuel procurement policy in compliance with Section 1318(b)(3) of the Public Utility Code.[108]

12. The benchmark for determining the acceptability of a settlement is whether the proposed terms and conditions are in the public interest.[109]

13. The Joint Petition for Settlement of the Section 1307(f) Rate Investigation of Peoples Natural Gas Company LLC, filed pursuant to 66 Pa.C.S. § 1307(f) and which Peoples Natural Gas Company LLC, the Bureau of Investigation and Enforcement and the Office of Consumer Advocate executed and submitted at Docket No. R-2026-3060165, is in the public interest.[110]

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[107] *Id.* (b)(2).

[108] *Id.* (b)(3).

[109] *Pa. Pub. Util. Comm'n v. CS Water & Sewer Assocs.*, 74 Pa.P.U.C. 767 (1991).

[110] *Id.*

VIII. ORDER

THEREFORE,

IT IS RECOMMENDED:

1. That the Joint Petition for Settlement of the Section 1307(f) Rate Investigation of Peoples Natural Gas Company LLC pursuant to 66 Pa.C.S. § 1307(f) that Peoples Natural Gas Company LLC, the Commission's Bureau of Investigation and Enforcement and the Office of Consumer Advocate have executed and filed on June 12, 2026, at Docket No. R-2026-3060165, be approved.

2. That Peoples Natural Gas Company LLC be permitted to file a tariff supplement, on at least one day's notice to the Commission, containing changes in rates to provide for the recovery of the costs of purchased gas, consistent with the terms and conditions of the aforementioned Joint Petition for Settlement of the Section 1307(f) Rate Investigation of Peoples Natural Gas Company LLC, pursuant to 66 Pa.C.S. § 1307(f).

3. That the Formal Complaints of the Office of Consumer Advocate at Docket No. C-2026-3060269 and the Office of Small Business Advocate at Docket No. C-2026-3060885 be marked satisfied.

4. That Peoples Natural Gas Company LLC, the Bureau of Investigation and Enforcement and the Office of Consumer Advocate be ordered to comply with the terms and conditions of the Joint Petition for Settlement of the Section 1307(f) Rate Investigation of Peoples Natural Gas Company LLC pursuant to 66 Pa.C.S. § 1307(f) executed and submitted in this proceeding as though each term and condition stated therein had been the subject of an individual ordering paragraph.

5. That upon the filing of a tariff supplement by Peoples Natural Gas Company LLC, acceptable to the Commission as conforming with this Order and the aforementioned Joint Petition for Settlement of the Section 1307(f) Rate Investigation of Peoples Natural Gas Company LLC pursuant to 66 Pa.C.S. § 1307(f), and the Commission's approval thereof, the purchased gas cost rates established therein become effective for service rendered on and after October 1, 2026.

6. That upon acceptance and approval by the Commission of the tariff supplement and supporting data filed by Peoples Natural Gas Company LLC, as being consistent with this Order and the Joint Petition for Settlement of the Section 1307(f) Rate Investigation of Peoples Natural Gas Company LLC, pursuant to 66 Pa.C.S. § 1307(f), the inquiry and investigation at Docket No. R-2026-3060165 be terminated and the docket marked closed; and that the formal complaint dockets be marked closed at Docket Nos. C-2026-3060269 and C-2026-3060885.

Date: July 8, 2026

/s/
Katrina L. Dunderdale
Administrative Law Judge

/s/
Ann Quimby
Administrative Law Judge